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# Daily Report
## Supplement

# Central Eurasia

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# Central Eurasia
## SUPPLEMENT

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**Russia: Counterproliferation Strategies**

*964E1652A Moscow YADERNYY KONTROL: OBOZRENIYE PO PROBLEMAM ORUZHIYA MASSOVOGO UNICHTOZHENIYA V ROSSII I NOVYKH NEZAVISIMYKH GOSUDARSTVAKH in Russian Oct 95 No 10, pp 1-7*

[Article by Sergey Kortunov, consultant of the national security assistant to the Russian Federation President, under the heading "Hot Topic": "Exclusive: Russian-American Cooperation in the Context of 'Counterproliferation'"]

[FBIS Translated Text] In 1994-1995, a new term firmly entered the already fairly established *disarmament lexicon*: *counterproliferation*. At issue is a new American global and regional strategy, developed mainly by the Pentagon, which has aroused some highly varied reactions both in the United States and around the world.

What are the purposes and tasks of *counterproliferation*? How does the new strategy differ from the traditional policy of nonproliferation? How effective can it be in the modern world? What interests is the United States pursuing here? How should Russia view the new American strategy? Finally, is cooperation between the two countries possible in this field, and in what areas? So far all these questions have not become a topic of direct Russian-American negotiations, though the problem of nonproliferation is doubtlessly the most promising area of bilateral cooperation between Russia and the United States.

## CHANGE OF TARGET

The strategy of *counterproliferation* was first set forth more or less broadly on 7 Dec 93 by the late Les Aspin, former U.S. Secretary of Defense, in an address to the U.S. National Academy of Sciences. The reason for the development of the new strategy, Aspin emphasized, was a reassessment of the nature of the nuclear threat for the United States. With the end of the *Cold War*, the sources of this threat shifted to countries hostile to the United States and its allies, or even terrorist groups with *a handful of nuclear munitions*. This new threat is caused by the spread of WMD and the means of their delivery, especially missiles.

**During the Cold War the United States successfully employed three tools:** deterrence, arms control, and a policy of *preventive nonproliferation*. In the post-confrontational word, according to Aspin, these tools are clearly inadequate, insofar as the proliferation problem has worsened greatly, primarily with the formation of today's world market, which stimulates the free exchange and transfer of nuclear and other dual-purpose technologies that in many ways undercut policies based on denying aggressive states such technologies. Aspin referred to a number of hostile nations engaged in developing nuclear, biological and chemical weapons programs, as well as missile systems for delivering them (more than 12 nations already have tactical ballistic missiles). Hence the new emphasis of U.S. nonproliferation policy: to the tasks of **prevention** has been added the task of **protection**—protection of the United States, its armed forces and allies. Whereas before it was necessary to first answer the question how to prevent proliferation, now the main question is how to react if proliferation has already occurred.

The Pentagon began to develop appropriate means to handle this new task. These efforts encompass five main areas:

- Reorganization of the military department and, in particular, establishing a new position of Deputy Secretary of Defense for nuclear security and counterproliferation.

- Changing the structure of weapons purchases: the task was set of acquiring non-nuclear *penetrating* munitions for destroying *subsurface* targets, as well as systems for destroying SCUD type mobile missile complexes. OSDI was reorganized into the Ballistic Missile Defense Organization. At the same time, a directive was issued to clarify the ABM Treaty in this connection with respect to the possibility of developing, testing and deploying theater ABM systems.

- Revision of corresponding operational plans.

- Improving intelligence for the purposes of counterproliferation, including the establishment of a special Nonproliferation Monitoring Center within the United States Intelligence Community.

- International cooperation—in the first place with NATO allies, Japan and other U.S. partners, including Russia.

According to Aspin, the new U.S. initiative was designed to supplement three aspects of the nonproliferation policy: the creation of an international consensus on the primary importance of the problem; reducing the military value of WMD, making them less attractive for countries that want to acquire them; reducing the vulnerability of U.S. allies, and accordingly, their incentive to acquire WMD for purposes of self-defense.

Early in 1994, the Pentagon began developing operations plans for using the armed forces for these purposes. In particular, modifications were made to the Single Integrated Operations Plan (SIOP) for striking strategic targets. The new operations plans provide for the use of strategic aviation and sea-launched Tomahawk cruise missiles against targets in more than 30 countries which,

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the Americans consider, have or are developing nuclear, chemical or biological weapons and the means of delivering them. At the same time, strategic operations plans of U.S. joint military commands in forward basing areas were modified and measures were taken to coordinate the actions of U.S. intelligence organizations, in particular the Defense Intelligence Agency (DIA) and Nonproliferation Monitoring Center (CIA), in monitoring the situation in potential threat regions.

A special commission was set up in the Pentagon headed by the Deputy Secretary of Defense. The commission estimated that the Pentagon alone would have to spend more than $550,000,000 over the 1996-2001 period on efforts to counter WMD proliferation. In the current fiscal year the Defense Department has been allocated $60,000,000 for the following purposes:

- expansion of the capabilities of national technical systems to detect and identify nuclear, chemical and biological munitions;

- development of effective systems for detecting, targeting and destroying well-hardened targets;

- greater protection of personnel from the effects of WMD.

Thus, in 1993-1995, the Clinton Administration displayed its firm intention to resolve the nonproliferation problem according to a basically American scenario and by all available means—political, economic and military—with the purpose of preventing the emergence of new states possessing WMD and monitoring WMD production technologies in others. In this, special emphasis was given to force methods.

## OPPOSING ARGUMENTS

It is not surprising that the new strategy has aroused serious criticism. In the United States itself it has been criticized by prominent experts in the area of nonproliferation: L. Spector, I. Rodman, G. Milhollin, H. Muller, G. Christensen, J. Hendler, and others. Their main arguments boil down to the following.

**First.** Military means of combatting proliferation should not dominate over political ones. Otherwise the point of efforts is shifted from preventing proliferation to containing its consequences. Offensive measures should only complement measures of preventive diplomacy and be deterrence measures only in extreme situations. In the new Pentagon strategy these two categories of measures are in rivalry, and calls for building up *counterproliferation* programs are accompanied by *vilification* of the diplomacy of nonproliferation. Experience in carrying out military operations exists: the destruction of Iraq's Osirak reactor in 1981 and other Iraqi nuclear facilities in 1991. However, these actions revealed the need to apply an entire complex of measures.

**Second.** It would foolish, of course, not to prepare for operations in regional theaters where there is a potential for the use of nuclear missile weapons. But it is necessary to reject pessimism, which frequently serves as a justification for such initiatives. *Counterproliferation* programs are based on the basically pessimistic premise that the proliferation of missiles and WMD has already occurred or is inevitable. L. Spector notes: "Unfortunately, placing emphasis on situations developing as a result of proliferation has become so popular among analysts of the strategic community, while budget appropriations taking such situations into account have become so large, that one can speak of trends which are increasingly challenging mainly preventive measures as a basis of U.S. policy."

**Third.** U.S. counterproliferation efforts are concentrated on the *Gang of Four*: North Korea, Iran, Iraq, and Libya. Such an approach can undermine the universal character of the principles of nonproliferation.

**Fourth.** A large portion of the Pentagon's 1995 three-billion-dollar nonproliferation budget will be spent on proliferation that *has already occurred.* If this trend prevails military measures will dominate. Resources will be diverted from such preventive actions as increasing IAEA inspection capabilities or creating economic incentives for countries seeking to acquire nuclear missile weapons, like North Korea.

**Fifth.** *Counterproliferation* means tying U.S. nuclear strategy to crisis situations in the *Third World*, which leads to the expansion of the functions of nuclear weapons. This is additional proof that the United States is still far from implementing the commitments undertaken in accordance with Article VI of the Nuclear Weapons Nonproliferation Treaty (NNPT). Expanding plans of potential use of nuclear weapons in regional conflicts is fraught with the threat of growing hostility between North and South. Besides, such a situation casts doubts on the so-called *negative* guarantees of the safety of non-nuclear nations.

A report prepared in 1995 by Greenpeace associates analyzes decisions which since 1989 have paved the way for the transformation of the U.S. nuclear doctrine, changing its content to such a degree that it has become a doctrine which unambiguously assumes nuclear war in some, if not all, regions of the world. Immediately after the end of the 1991 Gulf War, former Secretary of Defense D. Cheyney signed a directive which officially set the task of developing operational plans for using nuclear weapons against countries capable of developing WMD or already engaged in such developments.

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**Sixth.** The new strategy blurs the boundaries between strategic and tactical nuclear weapons. In particular, clarifications were added to Pentagon operations plans that, besides nonstrategic nuclear forces, *strategic nuclear forces could also be retargeted against regional objective*. Thus, although counterproliferation strategy is mainly of a non-nuclear nature, now nuclear weapons are being assigned new functions to deter or combat regional *proliferators*. This contributes to the further *legitimization* of nuclear weapons and, consequently, undercuts the nuclear powers' efforts to strengthen the nonproliferation regime.

**Seventh.** The excessive emphasis on military measures creates the image of the United States as a world policeman asserting itself on the world arena by force. This may cause a disproportionate reaction of the very regional nations whose cooperation is most needed to promote an effective nonproliferation policy.

## AND WHAT DO THEY THINK IN RUSSIA?

Russian analysts note that counterproliferation strategy differs from the *classical* policy of nonproliferation and, unfortunately, reflects certain stereotypes of American *post-Cold War* thinking: America-centrism, the notion of only one dominant *superpower* in the world, a desire to settle political problems by military means, belittling the role of international diplomacy. All this should have been the subject of a serious debate between the two countries, but, unfortunately, this did not happen. The United States limited itself to conducting two or three briefings for our military in Russia.

The debate within the United States impacted to a certain degree on Russian strategic thinking in this area. In 1993-1995, Russia saw a sharp growth of interest in problems of nonproliferation. Some scholars concede that in post-Cold War conditions the threat of proliferation has indeed increased. **The following factors have been associated with this:**

- The collapse of the Soviet Union, which created the danger of new nuclear powers appearing;

- The growth of nationalism in the world, which has fostered incentives for acquiring WMD and the means of their delivery;

- Growing economic interdependence among nations, which has led to free exchanges of dual-purpose goods, equipment and technologies and jeopardizes the effectiveness of international nonproliferation regimes and national export control systems;

- Active foreign trade efforts of military-industrial complexes, including Russia's, faced by declining domestic demand for their output;

- Privatization of defense enterprises, giving national arms and military equipment manufacturers much greater independence from the central authorities. This process adds difficulties from the point of view of the effectiveness of national export control systems.

At the same time, Russian officials invariable stress: the situation in the nonproliferation field is basically under control; the Russian system of export control has already been created and is functioning quite efficiently; rumors of theft and smuggling of fissionable materials in Russia are based on newspaper reports; each such report is investigated by Russian special services, and as a rule, the rumors prove false.

On the other hand, the situation that has developed with the end of the Cold War contributes to the appearance of entirely new problems requiring new ways of ensuring security. Prevention of proliferation by denying technology transfer contradicts the basic trends of world economic development. In many economically prosperous countries export control rules are, contrary to official declarations, *no longer fashionable*. For example, in the United States a confrontation between major industrial companies and supporters of a strict system of export controls ended in a convincing victory of the former, who in 1994-1995 won some major easing of export control restrictions. This, in turn, questions the effectiveness of economic sanctions against potential *proliferators*.

It is hard to deny that today the purposes of nonproliferation must be achieved through an entire complex of new measures, including military force. The Russian military are also now viewing nuclear weapons as a possible means for countering WMD proliferation. In June 1994, Defense Minister Pavel Grachev declared that the geopolitical space of Russia and its immediate neighbors to the south lies in the embrace of a solid semicircle of countries belonging to an unadvertised *nuclear club* and constituting a blurry *nuclear risk* zone. He conceded that the principle of first-use of nuclear weapons was intended, among other things, to deter potential *proliferators* of nuclear weapons who could threaten Russia. In December 1994, I. Sergeyev, commander-in-chief of Russia's Strategic Missile Forces, stated that the task of deterring any potential enemy places additional requirements on his forces, including the need to be capable of delivering strikes against a wide array of targets in the shortest possible time. All this, in his view, requires extreme precision, swift retargeting, and flexibility of command and control systems and all types of combat support.

Just a few years ago countries like India, Iran, Iraq, Israel, North Korea, Pakistan and countries of Northern

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Africa never figured in the nuclear doctrines of the great powers. Now this has become a fact of life.

## 'ACTIVE' AND 'PASSIVE' MEASURES

Many Russian scholars, strategists, and some politicians classify nonproliferation measures into two main categories: *passive* (much like *classical* nonproliferation, i.e., mainly preventive measures) and *active* (more akin to counterproliferation).

**The first group includes the following measures:**

- consistent strengthening of existing nonproliferation regimes;

- further steps in the area of nuclear disarmament, including banning nuclear weapons tests;

- political measures to remove incentives for possessing WMD, including reduction of tensions and settlement of conflict situations in different regions of the world, which require considerable diplomatic efforts;

- improving the system of IAEA guarantees and strengthening national export control systems;

- measures to prevent the spread of scientific knowledge and expertise in the area of WMD and missile delivery systems; creation of socio-economic and legal conditions to prevent the travel of the respective specialists to other countries.

**The second group includes *active* measures:**

- enhancing the effectiveness of monitoring proliferation;

- reciprocal exchanges of information obtained by national technical means, cooperation among the intelligence services of different countries, establishment of an international *open skies* regime;

- joint political opposition of the nuclear powers to the nuclear ambitions of other countries;

- use of economic and legal sanctions against violators of the nonproliferation regime;

- indirect use of military force (including nuclear) against violators as a form of implementing a new variant of the deterrence doctrine as applied to nonproliferation;

- development of variants and scenarios for the actions of nuclear powers in the event that this form of deterrence does not work, i.e., variants of direct use of military force;

- joint search for remote disarmament techniques (for neutralizing or deactivating nuclear warheads should they end up in the hands of terrorists);

- development of a tactical ABM system, including the possibility of developing regional systems.

Obviously, all these measures can only operate in conjunction. For example, experiences shows that a state system of export controls is not a panacea. In many cases strict export controls are an incentive for the development of clandestine production or for searching for alternative sources of acquiring the appropriate materials and technologies.

The most effective way to strengthen national export control systems is through cooperation between the state sector and private business. Germany and Japan, for example, have a system of *self-monitoring* of private firms, where a person is appointed who is financially and criminally responsible for a given company's compliance with export control regulations. Introduction of such a system in Russia is an extremely important, and at the same time, extremely difficult task.

## DIPLOMACY OR MILITARY FORCE?

In nonproliferation policy Russia gives priority to diplomatic efforts. They have proven their effectiveness primarily in preventing the spread of nuclear weapons. Suffice it to recall the examples of South Africa, Ukraine, Belarus, Kazakhstan, Argentina, Brazil, Romania, Algeria, finally, North Korea. In all of these cases the advantages of cooperation with the industrially developed countries outweighed any possible military-political advantages from the development of WMD. A great part in this was played by preventive diplomacy, American in the first place.

Multilateral diplomacy also plays a decisive role in preventing the spread of missiles and missile technologies. For example, many nations with the technological capabilities to produce missiles have preferred not to. This group of consciously abstaining countries includes Australia, Canada, many countries of Western and Eastern Europe, Japan, and others. Decisions in these cases were prompted by political and strategic considerations, the existence of effective regional security mechanisms, a system of multilateral and bilateral security guarantees, etc. Economic interdependence and realization of the advantages of integrating into the world economy also plays an important role.

Practice has shown that one should not assume that the existence of a country's technological potential must necessarily lead to its supplying its armed forces with WMD and their delivery systems. Although it is quite reasonable to be prepared for an undesirable turn of events, pessimism, which paralyzes diplomatic will, is hardly justified.

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More, multilateral diplomacy in this area is clearly underused. For example, in the 1970s and 80s, the United States knew that West German companies were building plants for manufacturing poison gases in Libya and Iraq, as well as that German firms were providing extremely important technical aid in the nuclear sphere to Pakistan, India and South Africa and were the largest suppliers of technologies for the Condor II joint missile project of Argentina, Iraq and Egypt. The United States took no effective measures until one plant for manufacturing poison gases in Rabta, Libya, was ready to launch production. Only then did U.S. officials begin to speak of this in the press. As a result, the Germans were compelled to tighten their export control legislation. Clearly, had the U.S. government brought pressure to bear on the German firms five years earlier, today the world would have been a safer place.

Other examples. The United States provided Pakistan with economic aid until that country acquired the capability of building a nuclear bomb, and only then halted that aid, introducing a ban on trade with that country (the Pressler amendment). In the case of North Korea, the United States just watched the building and then operation of a research reactor, while the KPDR meanwhile refused to comply with its commitments under IAEA guarantees. It was only two years ago that the U.S. government began to regard the North Korean nuclear program as an emergency requiring countermeasures. Negotiations with the country began after it became apparent that the KPDR could acquire nuclear weapons.

Today our capabilities are so limited in many other cases because in the past we were unable to use diplomacy effectively. And the mechanism of economic and legal sanctions against countries entertaining *nuclear* and *missile* ambitions has also been used rather ineffectually.

More successful were diplomatic efforts associated with the nonproliferation of missiles and further strengthening and enhancement of the Missile Technology Monitoring Regime (MTMR). Although the MTMR is not perfect, it is already an important foreign policy lever of its participants. The MTMR helped put a halt to such programs as the Condor-II Argentine-Egyptian-Iraqi project, the sale of Chinese M-9 missiles, and it forced the FRG to take legal action against firms collaborating with Libya and Iraq.

One can also list among diplomatic achievements the joint Russian-American actions to prevent the spread of nuclear weapons on the territory of the former USSR. None of the post-soviet states, with the exception of Russia, received operational control over the nuclear weapons deployed on its territory. They all declared their intention to get rid of nuclear weapons and joined the NNPT as non-nuclear states. At present nuclear weapons are being transferred to Russia. Their deactivation and dismantling has begun. The CIS countries are resolving these issues through peaceful negotiations. Finally, there is no proof that nuclear weapons, materials, technologies, or prominent nuclear specialists, have turned up in other countries.

From this point of view the American strategy of deterring proliferation has no relation to the situation in the countries of the former Soviet Union. Proliferation was prevented solely by diplomatic means. Obviously, an unwillingness of Belarus, Kazakhstan or Ukraine to join the NNPT would have had tragic consequences for the treaty. It is quite possible that in that case *threshold* states would have felt bolder and declared themselves nuclear.

In presenting the American point of view on counterproliferation, the Pentagon identified four important problems that appeared as a result of the collapse of the Soviet Union:

- the problem of safe transportation and dismantling of nuclear weapons;

- the problem of nuclear weapons appearing on the *black market*;

- the problem of the drain of experts to countries that could be potential *proliferators* of nuclear weapons;

- the problem of client states of the former Soviet Union (e.g., North Korea).

The first problem has been practically resolved. The second is being resolved through the formation of a national export control system. The third, through domestic legislation (norms of criminal responsibility for the distribution of certain dual-purpose materials and technologies have been introduced in Russian Federation legislation) and the establishment of an International Research Center in Moscow in 1994. Finally, the United States has assumed responsibility for the situation with former USSR clients, in particular, North Korea.

In all four cases political means were used rather than military counterproliferation tools. On the other hand, as a strategy, counterproliferation has in no way stopped world trade and technology exchange as factors facilitating the spread of WMD. It is important to stress the importance of political efforts to reduce the attractiveness of WMD to other countries. The danger of North Korea's policy was that it placed emphasis on the *political* role of nuclear weapons. The country has demonstrated in practice the advantages of

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an ambiguous nuclear policy. Ultimately, the United States, Japan and South Korea were forced to enter into negotiations and buy their own security. This kind of blackmail with an eye on gaining political and economic advantages also, to a certain degree, characterized Ukrainian policy. Nor can its use in future by other countries be precluded.

The North Korean example is instructive in the sense that it revealed the impotence of efforts to counter proliferation by force:

- efforts to force IAEA inspections on the country failed;

- economic sanctions would not have worked due to little economic dependence on other countries;

- nuclear deterrence did nothing to reduce North Korea's ambitions;

- joint military-political pressure of nuclear powers on it proved ineffective;

- even the intelligence services were unable to provide precise information: we still don't know whether the KPDR has nuclear weapons or has simply hoodwinked the United States, Japan, and in fact the entire world, to gain political and economic advantages.

The American-North Korean agreement signed in September 1994 was a very successful effort to resolve the nonproliferation problem by diplomatic means. This is indirect indication that the priority of diplomatic measures is now recognized in the United States. Or, as Leonard Spector noted, the United States is moving from *counterproliferation* towards *neo-nonproliferation*. The agreement proves that both nuclear and non-nuclear nations generally recognize their mutual responsibility for the nonproliferation of WMD and missile delivery systems and can work together in this field.

## THE MAIN AREAS OF JOINT WORK

Obviously, since the end of the Cold War the old division of nations between East and West has given way to a more complex and less clearcut configuration which includes:

- coordinating states (e.g., the United States and Russia), which are full parties to virtually all nonproliferation and export control regimes;

- cooperating states (e.g., China), which participate in some nonproliferation and export control regimes and have declared their intention to join all the regimes or cooperate within their framework;

- sensitive states (e.g., India), which, although they have the legislative and organizational basis for introducing an export control system, see the coordinating nations' pressure for its introduction as interference in their internal affairs (at this time these states do not represent a direct threat to the coordinating states);

- threatening states (e.g., Iran and Iraq), which are seeking to acquire dual-purpose technologies and running afoul of existing export control mechanisms, and this threatens the interests of the coordinator states.

The coordinator states' policy in the area of trade, technology transfer and export controls must be different with respect to different groups of states. For example, United States and Russian policy with regard to coordinator states should be pursued without any restrictions. Policies with regard to cooperating states should provide for certain conditions and control elements. As for the sensitive states, the United States and Russia should introduce firm controls and set numerous preconditions. And finally, maximum control and embargoes should be applied with respect to the threatening states. The coordinator states' policy should be aimed at narrowing the gap between their own positions and those of the cooperating, sensitive and threatening states.

As I see it, this concept should be a key element in the debate on the format and functioning of the post-COCOM mechanism, in which Russia has been participating since recently. The main areas of joint work also include political measures to remove the incentives for possessing WMD and missiles, including settlement of conflicts and crises in different regions of the world. For if one analyzes the motivations of states seeking to acquire WMD one finds that many of them are associated with old regional conflicts based on national or ethnic rancor and territorial claims with deep historical roots. These motives are mainly traceable in zones of traditional regional conflicts—the Middle East, South-East Asia, the Korean peninsula—and in most cases have serious roots. It is, therefore, useless to call upon those countries to join the NNPT. Nor can talk of creating nuclear-free zones hardly serve any useful purpose. Nuclear and missile weapons there are not the cause, but the consequence of conflict. They have become a component part of it, which is why problems involving nuclear weapons can be settled only in the context of an integrated political settlement in the region, taking into account the concerns of all the concerned parties.

A vivid example of such a settlement is South Africa, with its rejection of nuclear weapons and accession to the NNPT. A process of political settlement has also begun in the Middle East. Since each specific regional crisis has its own causes and roots, including as applied to the appearance of factors associated with nu-

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clear weapons, only specific ways of settling the crisis can be found for each region. The main thing is to persuade the participants of those regional conflicts to sit down at the negotiation table. Special attention should be given to the huge Central Asia region, where political instability, combined with apalling economic straits, can prove a fertile medium for the emergence of national and religious fanaticism, with assistance from neighboring countries. The appearance of nuclear missile weapons there can become a reality, especial since the former soviet republics of the region possess individual elements of the nuclear cycle: uranium mining and its enrichment. There are also quite a few specialists there who participated in various stages of the soviet nuclear weapons development program. The *near-threshold* countries include Iran, which adjoins on the region.

In a *worst-case scenario*, a combination of all these factors could potentially create a qualitatively new geostrategic situation in the entire Asian region, from Japan to the Mediterranean Sea. It is precisely there that the most serious problems of potential proliferation of WMD and their missile delivery systems lie.

## DETERRENCE AND OTHER COUNTERMEASURES

Present-day variants of the deterrence doctrine are totally inadequate for the new situation and unacceptable for combatting proliferation. One can only wonder at, for example, a provision of the U.S. national military strategy, according to which *"The existence of a powerful deterrence potential is in many cases the decisive factor for deterring the spread of WMD."* The facts of contemporary political life do not support such conclusions.

It should be noted that so far the nuclear nations have not developed an effective deterrence doctrine with respect to proliferation. For example, the existence of a nuclear potential in the hands of five nations has not prevented local armed conflicts involving the use of missile weapons. Nor was it an obstacle to the acquisition of such weapons by regional *power centers* and even its use against the major nuclear missile nations, for example, in the Gulf War.

It is quite probable that deterrence in the classical sense of the word, i.e., military (nuclear) deterrence, is simply inapplicable. Much more effective is deterrence through the threat of economic sanctions and the like. And if one speaks of nuclear military-force deterrence of states and regimes preaching goals of aggressive nationalism and ready to use WMD and missile systems to achieve them, there is no need for several thousand warheads—a few dozen would suffice. Especially since some combat objectives formerly planned with the use of nuclear weapons can now be achieved with the aid of high-precision conventional weapons. There is no need to improve nuclear weapons to deter *nuclear adventurers*. Nor is there any need for nuclear weapons tests, which can be halted without detriment to the security of anyone.

Eventually it would be appropriate to place the remaining nuclear systems under UN command and use them by decision of the Security Council. With such an arrangement the nonproliferation regime could be transformed into a mandatory attribute of international behavior. In cases creating a threat to peace and security the UN Security Council could pass a decision introducing a mandatory nonproliferation regime under IAEA control in specific countries or regions.

One cannot preclude the need to use defensive systems to counter proliferation, especially theater ABM, in particular, in conditions of actual proliferation of missiles, i.e., after diplomatic methods and deterrence have proved ineffective. For such a scenario Russia is developing C-300 tactical ABM complexes, and the United States, a series of ABM systems, from a modified Patriot complex to the development of the THAAL air- and sea-launched systems. Theater ABM systems may also prove necessary to defend important military facilities, groupings of armed forces and combat equipment, missile complexes, residential areas, etc.

Theater ABM systems may also be useful in the hypothetical case of a regional power seeking to dominate a region by resorting to its missile potential. In the absence of ABM systems the political will of the great powers may be paralyzed and they may not venture to launch a peace-enforcement operation. Contrariwise, the existence of such systems, which can neutralize a regional aggressor's missile potential, will promote the political resolve to carry out a peacekeeping or peacemaking operation in any part of the globe.

At the same time, the development of theater ABM systems should not undermine the ABM Treaty. This means that such systems should not have the capability of striking strategic ballistic missiles. Space basing elements of such systems may also be incompatible with the ABM Treaty. Accordingly, an understanding is needed that would clearly differentiate between tactical and strategic ABM systems. As is known, this was negotiated in Geneva in the PCC framework, however, this April the talks were suspended by the American side.

Finally, concerning offensive counterproliferation measures (military force). Such measures may prove nec-

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essary in conditions when all other means, including theater ABM systems, prove ineffective.

They could include:

- surgical strikes with high-precision weapons with the purpose of suppressing missile complexes and other military facilities;

- power projection (including nuclear) in regions, primarily with sea- and air-based assets;

- assault operations with the objective of neutralizing the offensive military potential of facilities associated with WMD and their production, operations of special reconnaissance-commando units capable of independently employing conventional high-precision weapons with the purpose of deep penetration into the ground and the destruction of underground structures.

At the same time, any military force measures aimed at countering proliferation must have legal force from the point of view of international law, that is, they must be authorized by the UN. Accordingly, eventually such functions should be placed solely under the authority of the UN, for example, its Military Staff Committee.

Increasing the use of force for counterproliferation undermines the efforts of international diplomacy and will steer public opinion towards the notion of the *inevitability* of proliferation. Supporters of diplomatic means should point out the achievements of preventive diplomacy, emphasize the growing strength of international institutes of nonproliferation, and step up efforts to enhance their effectiveness.

At this point it is necessary to develop an integrated, long-term nonproliferation strategy that would blend diplomatic, economic and other measures. The primary task should be the development of new global and regional security structures, improving cooperation among intelligence services and systems of international security guarantees, as well as the development of military force operations as an extreme measure.

It is necessary to increase export controls and make foreign trade with countries aspiring to acquire WMD and missiles dependent on their readiness to halt or curtail military programs. It is necessary to improve MTMR and introduce the practice of verification and inspection of missile activity similar to the IAEA. And to reject military solutions as a universal method of resolving nonproliferation problems. All questions of using military force as a final resort for maintaining international nonproliferation regimes should be discussed not in the Pentagon, but in the UN Security Council, which places such actions within a legal framework.

## SPHERES OF BILATERAL COOPERATION

Nonproliferation of WMD and missile delivery systems is a recognized sphere of Russian-American cooperation. Each side realizes that it cannot solve the problem alone. Cooperation is already taking place in many areas.

Of course, there is a basic asymmetry between the two powers on this question. It consists of the following. The United States is now the only global power with global interests. American national security strategy has been clearly formulated. The United States has long since defined its regional interests and spares no effort to defend them. It has a clear idea of who its allies are and who threatens those interests. Accordingly, in defending its allies and having clearly defined commitments to them, the United States pursues a deliberate power projection policy in different regions. At present no country threatens or can threaten U.S. territory (except Russia). However, American allies in different regions, such as Israel, Saudi Arabia or South Korea, are constantly under pressure from other regional powers, some of which may be hostile towards the United States. Insofar as a buildup of missile, nuclear, chemical or biological potentials may threaten American allies, it threatens the interests of the United States. Hence stems United States active preventive diplomacy in different regions, peacemaking, and the development of major theater ABM programs (ABM systems, in particular, are necessary for the defense not of American territory, but of the territories of its regional allies).

Contrary to this, Russia, unlike the USSR, is no longer a *superpower* with global interests that clash with U.S. interests (the infamous *zero-sum game*). It is an entirely new country which, moreover, is going through a self-identity process. So far we have neither a national security concept nor clearly understood regional interests. Moreover, the new military doctrine (1993) directly states that Russia does not view any country as an opponent. However, the absence of opponents does not mean that Russia has allies. Russia has lost almost all the former allies of the USSR. Nor does it have a clear idea of who they are now. Accordingly, Russia does not project military power abroad. That is why it is less interested than the United States in theater ABM systems. The fundamental difference between the two countries' assessments of the threat of spread of WMD and their means of delivery is understandable: the United States treats it as a *threat*, Russia as a *problem*, insofar as its territory is not directly threatened by other countries' missiles.

Obviously, Russia's national interests cannot remain *blurred* forever. Sooner or later they will be identified

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and potential opponents, allies, friends and partners will appear. Then it will be necessary to return to the practice of power projection to defend its allies; qualitatively new prerequisites for cooperation with the United States in countering the proliferation of WMD and their means of delivery will probably arise.

However, there already is room for such cooperation. After all, even now Russia is not indifferent to what is going on in border areas. Even now one can say that the appearance of major powers with nuclear missile, chemical or biological potentials in border regions is contrary to its interests. The spread of WMD and missiles is an unquestionable evil that threatens to undermine both regional and global stability. In this sense the common interests of Russia and the United States are quite obvious.

The main area of bilateral cooperation is, of course, diplomacy. This involves strengthening nonproliferation regimes, including MTMR, eventually making it an effective organization, something like a *space-missile IAEA*, strengthening the guarantee regime of the IAEA itself, implementing the decision on open-ended extension of the NNPT, formation of a post-COCOM mechanism, etc. Coordinated actions to settle regional conflicts and crisis situations that are a nurturing medium for proliferation are a special sphere of diplomatic cooperation.

Extremely important is coordinated individual work with potential proliferators, such as North Korea, Iran, Libya, Pakistan, Israel, etc. Here Russia and the United States could, in particular, initiate the development of a graduated regime of economic, political and military sanctions. Cooperation in deterring other *threshold* states could include the development of appropriate scenarios, as well as determining the minimum of nuclear forces necessary for their implementation. Eventually joint exercises could be conducted in this field, and if necessary, joint combat operations as well.

Another promising area is cooperation in theater ABM defense. Joint exercises have already been conducted. It is, however, important to reach an understanding on the delineation of tactical and strategic ABM systems. Finally, one cannot preclude cooperation in planning, developing and conducting joint exercises and operations with the use of military force under UN aegis.

An extremely important measure which would promote the coordination of all these counterproliferation efforts could be the development of a global early warning and monitoring system for the nonproliferation of WMD and their delivery systems. This could be achieved by the development of a unified automated system for global monitoring of the nonproliferation and testing of nuclear weapons on the basis of automated nuclear test monitoring systems covering land, oceans and seas and near outer space already in place in the United States and Russia.

It should be stressed that at present only the United States and Russia have sufficiently developed monitoring systems engaged in round-the-clock observation of large areas of the globe. Joining them in a global network with defined observation regions and 24-hour operational data exchange, its development and upgrading on a common technical basis, as well as the possibility of pooling human and material resources, reciprocal assistance in the development of systems software, complex hardware and costly facilities—these are but some of the areas of close Russian-American business cooperation capable of becoming a powerful stabilizing factor with considerable influence on international relations.

The ultimate result of such cooperation could be the creation of a collective global security system or a global protection system (GPS), which can be envisioned as an aggregate of interrelated political and organizational measures and various technical systems (including military) oriented as a whole on maintaining national, regional and global security. Eventually the bilateral global protection system could be complemented with contributions from other industrially developed nations possessing high-tech capabilities. Ultimately, a system ensuring the security of all, including countries not taking part in its development, but which have signed appropriate international agreements, would be established.

Such a system would be capable of operational and objective assessment of the threat of proliferation of WMD and their missile delivery systems, develop realistic solutions for countering them, have a data bank of the capabilities of different countries to develop such weapons, as well as of the proliferation of dual-purpose materials and technologies.

Existing organizations, such as the World Space Organization, could also play a part in the development of such an international mechanism. The currently forming post-COCOM international organization, which has already been named *New Forum*, will also likely possess high potential. Eventually the UN could be used, with the establishment under it of a Data Bank and an International Nonproliferation Monitoring Agency as a special unit of the UN Secretariat. This agency would track down possible violators of nonproliferation regimes and, with the assistance of other international organizations, work to prevent and terminate illegal actions.

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**Russia: Nuclear Arms, Balance of Power Analyzed**

*964E1660A Moscow YADERNYY KONTROL: OBOZRENIYE PO PROBLEMAM ORUZHIYA MASSOVOGO UNICHTOZHENIYA V ROSSII I NOVYKH NEZAVISIMYKH GOSUDARSTVAKH in Russian Oct 95 No 10, pp 8-10*

[Article by Dmitriy Yevstafyev, candidate of political sciences, under rubric "Exclusive," on ther "Analysis" page: "The Nuclear Factor and Regional Balances of Forces"]

[FBIS Translated Text] Today's processes of nuclear proliferation are justifiably linked primarily with the activity rate of the developing countries. There exist a large number of hypotheses relative to the factors that encourage the proliferation of nuclear weapons in the *third world* countries and that give to that type of weapons special political importance. By summing up these concepts, it is possible to isolate the following **factors that encourage the processes of proliferation of nuclear weapons:**

— the lack of conformity between the actual power of the state and that state's role in the corresponding region. In this instance the possession of nuclear weapons looks like the attempt to acquire prestige, but actually it is the attempt to guarantee the military-technical conditions for the formation of its own *quasi-sphere of influence*;

— the sense of strategic vulnerability when faced by more powerful neighbors, and the attempt within the shortest periods to obtain a kind of *superweapon*, which, if it does not promote the attainment of *offensive* goals, as a minimum guarantees the country against complete defeat;

— the attempt by a regional *center of power* to guarantee its hegemony by means of suppressing the opportunities of the other countries in the region to make effective use of ties of alliance with nonregional forces.

It cannot be said that the present-day tendencies are absolutely new and that the danger of proliferation sharply increased specifically after the end of the *Cold War* and the activation of the processes of the formation of power multipolarity in the regions of the *third world*. On the contrary, the threat of the complete development of the processes of the proliferation of nuclear weapons was most acute during the period from the middle 1960's to the end of the 1970's, when there had been an implementation of the most widescale military nuclear programs of such countries as Israel, India, YuAR [South African Republic], and, somewhat later, Pakistan. It was then that broad and deep research was carried out in Argentina, Brazil, Iran, Iraq, and, apparently, KNDR [North Korea]. Such countries as Libya, Taiwan, Egypt, and Algeria, which did not possess in full measure the technical, economic, or scientific potential for resolving that task, specifically during that period openly demonstrated their political self-interestedness in acquiring nuclear status and carried out certain technical measures in that field.

The conclusion in July 1968 of the **Treaty on Nonproliferation of Nuclear Weapons** [DNYaO] and its going into force in March 1970, *as well as subsequent multilateral agreements*, to a considerable, albeit incomplete degree, **made it possible to restrain the process of horizontal proliferation of nuclear weapons**. However, the DNYaO, which in the 1970's-1980's was an extremely effective means of deterring, or, rather, disavowing the nuclear ambitions of those countries which either did not have all the necessary capabilities for creating nuclear explosive devices, or which had only marginal interest in those kinds of weapons, proved to be not completely effective with respect to those *threshold* countries where political will and the scientific-technical capabilities coincided, against the background of the military-political need for means of nonconventional deterrence. Actually, the DNYaO did not lead to a reduction of the nuclear programs in India, Israel, or Pakistan, but the nuclear potential of the South African Republic was dismantled, proceeding primarily from considerations of domestic policy.

The present-day activity rate of the world community with respect to the processes of nuclear proliferation was encouraged, as is generally known, by the unexpected results of the International Atomic Energy Agency

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[IAEA] inspections at nuclear sites in Iraq, which inspections were carried out after the end of the Persian Gulf War. Those inspections revealed new capabilities and paths for obtaining nuclear weapons on the part of the countries participating in the DNYaO, with the nature and scope of the nuclear program being identified at a relatively late stage.

Practically speaking, it can be said that potentially the military nuclear programs as of today can occur in a relatively limited number of countries, with not a single one of these programs, even theoretically, being capable of being effectively completed within the near future.

The activity rate of certain countries to a define degree was encouraged by the Persian Gulf War, which showed that regional centers of power as of today do not possess the potential for waging combat actions against the United States and its allies, if only conventional arms are used. In a number of countries, in particular Iran and India, the conclusion was made that nuclear weapons are the only means of preventing U.S. interference in the region's affairs.

In other instances, for example, in the episode with the North Korean nuclear program, the problem of nonproliferation of nuclear weapons came to the foreground as a result of the attempts to conceal the existence of a nuclear program that went beyond the framework of the DNYaO, and which, as of the moment of crisis, was already actually frozen.

Nuclear weapons continue to play a definite role in the regional balances of forces. That role depends upon many factors and has many alternatives. **Certain approaches to nuclear weapons that exist in various regions are:**

**1. Nuclear weapons as a means of guaranteeing the state's military-political survival.** This perception of the role of nuclear weapons and its actual use in this capacity over a prolonged period of time was typical of Israel (where it even was given the name *Judgment Day weapons*. The role of nuclear weapons with this approach proves to be typologically close to the state of global nuclear equilibrium that used to be called *deterrence 1*, that is, situations when the USSR and the United States reciprocally used nuclear weapons to deter the possibility of a war arising between them. In the Middle East context this means deterring the possibility of waging a war of annihilation against Israel, while allowing the arising of limited armed conflicts.

In this context, nuclear weapons do not play the role of a military instrument, and the threat of their combat application is not used. **Moreover, nonnuclear arms can act as an opposing potential**, as occurred in the Middle East.

Israel possessed definite military-technical capabilities for nuclear blackmail, but the Israeli leadership avoided the political use of nuclear weapons (during the entire history of the Arab-Israeli conflict those arms were not used, either directly or indirectly). At the same time the very fact of suspicion concerning the possession of a nuclear potential plays a substantial role *as a deterrent*.

**2. Nuclear weapons as a means of deterring the opposing potential of OMP [mass-destruction weapons].** This instance of the use of nuclear weapons is more complicated, inasmuch as it assumes the arising and the deliberate maintaining of a complicated balance among various types of mass-destruction weapons. That kind of situation was formed in the 1980's in the Middle East after the creation in the Arab countries opposing Israel, primarily in Syria and Iraq, of potentials for chemical weapons and means of delivering them, which theoretically were capable of striking the majority of the unprotected medium-sized and major targets on the territory of Israel. The political importance of this form of using nuclear weapons is minimal, inasmuch as not a single side obtains, in this manner, the capabilities of the political use of the factor of possessing a nuclear potential.

In the Middle East context — the only instance as of today that can be considered an example of this use of nuclear weapons —the role of the side that was catching up was played by the Arab countries, which, as is indicated by an analysis of their leaders' political statements and certain scientific projects, never perceived the Israeli nuclear potential as a normal part of the military-political balance, that is, that fact was of marginal importance in military planning, and they strove, at the expense of creating the potential of chemical weapons and simulating military nuclear programs (it appears that the nuclear programs of Syria and Egypt pertain specifically to the category of simulation), to create a kind of political and psychological counterbalance guaranteeing in principle against the possibilities of political pressure on the part of Israel. Possibly, the task posed was to draw it into negotiations concerning the creation of a regional zone free of weapons of mass destruction.

At the same time, in the Indo-Pakistani balance of powers (beginning with the second half of the 1980's) and in the interrelationships between Argentina and Brazil that are carrying out parallel and, to a definite degree, symmetrical nuclear programs, the topic of discussion was the recreation under regional conditions of the classic old-type deterrence —*deterrence 2*, which is oriented toward the prevention of the possibility of

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using the fact of the possession of nuclear weapons when there is approximate equality of the military potential with regard to other parameters for attaining unilateral political advantages, that is, the main goal was deterring the opposing side against the use of nuclear weapons as an instrument of political pressure. However, the military importance proper of nuclear weapons even in this instance remained insignificant.

**3. Nuclear weapons as a means of deterring superiority in conventional arms.** This alternative of using nuclear deterrence at the regional level is based on the illusion of the possibility of redesigning, under the conditions of certain regions, of the European principles of deterrence.

With a definite share of conventionality, this phenomenon occurred in the Indo-Pakistani military balance during the period from the mid-1980's, after the appearance of Pakistan's nuclear potential. However, the practical significance of the nuclear potentials in this instance (this especially pertains to Pakistan) is dubious, as is confirmed by the fact that Islamabad during the same period of time attempted to carry out a large-scale program of rearming the army with conventional arms, understanding the limited nature of the possibilities of nuclear weapons).

Possibly, one can also include in this type the situation that developed at the early stages of Israel's possession of nuclear weapons (in this instance, the effectiveness of that balance was objectively greater and the existence of nuclear weapons, apparently, played a definite role in stopping the 1973 Arab-Israeli War), although subsequently, as a result of the actions of the Arab countries to create potentials of chemical weapons, the situation developed into a self-blocking balance among the various types of mass-destruction weapons.

The existence of nuclear weapons did not prevent the arising of relatively major armed conflicts in the Middle East (the 1982-1983 Arab-Israeli War), or the sporadic border conflicts (Indo-Pakistan confrontation in Kashmir), or such a complicated — from the point of view of military psychology — phenomenon as the missile shellings of the territory of Israel by Iraq in the course of the Persian Gulf War.

In this instance the role of the nuclear factor proved to be extremely similar to the role of the nuclear potential for guaranteeing the survival of a particular country: the setting of limits on the escalation of the conflict both with regard to the geographical indicators (the size of the seized territory, the size of the conflict area), and from the point of view of the nature of the conflict (the preservation of lack of totality, and the choice of targets to hit).

Today, many Western specialists feel, these same goals are being pursued by Iran, relative to whose nuclear program there exist certain suspicions, although no proof was ever presented that Iran violated its pledges.

In our view, if Iran is indeed carrying out a program of creating nuclear weapons, in this instance the task to be posed most likely is the prevention of foreign interference in the region's affairs in the event of a crisis. In particular, one can discuss the prevention of the possibility of the direct participation of the United States in the regional military-political balance on the side of the Persian Gulf countries that are opposing Iran —primarily Saudi Arabia.

It cannot be precluded that this use of nuclear potential, and possibly also the simple simulation of a military nuclear program, will grow, with the passage of time, into a new type of using nuclear weapons on the regional level. In this instance there will occur a purely political use of nuclear weapons either in the form of *deterrence against interference*, or as an argument in the political trade with nonregional forces which is broader with regard to its tasks.

**4. Nuclear weapons as a means of achieving political hegemony on the regional level.** As of today, there are no successful precedents for this use of nuclear weapons: not a single one of the de-facto nuclear states (not India, or Israel, or Pakistan) is an unconditional regional or subregional hegemon. Moreover, the obtaining by a particular state of a nuclear potential or even the purely political declaration of a desire to obtain such a potential (as in the instance with Iraq and Libya), frequently initiates the formation of an opposing coalition (which, factually speaking, occurred in the course of the crisis around the North Korean nuclear program), which turns for help to external forms and intensifies the processes of creating *deterrent* military potentials in other countries.

There is no doubt, however, that all the new nuclear states view the possession of nuclear weapons as one of the means facilitating the fulfillment of the corresponding political tasks. ;he disavowal of these illusions and the blocking of the very possibility of this kind of use of nuclear weapons is a very important factor for deterring the processes of proliferation of nuclear weapons.

It is possible to express the hypothesis that the basic problem of this type of use of nuclear weapons consists in that the sphere of application of nuclear weapons in the *third world* is politically more limited than in a global confrontation, as a result of a number of objective political and miliary-political reasons.

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The most important of them is the fact that, in the course of the greater part of the international confrontations in the regions of the *third world*, the basic task is not so much the creation of a *sphere of influence*, as it is the seizure of disputed territory, and this constitutes the core of the overwhelming number of conflicts among the developing countries. (An exception was the political confrontation between Brazil and Argentina, where the crux of the dispute was chiefly political hegemony, while the military *component* of that confrontation was minimal, and the complete parameters of that confrontation remain unclear). But the seizure of territory under conditions of the application of nuclear weapons remains impossible, if only by virtue of the inevitable radioactive contamination of the territory.

In conclusion it is necessary to touch upon the problem of the fundamental possibility or impossibility of the stable or critically stable nuclear deterrence on the regional level. Certain political experts feel that the obtaining by competing countries of arsenals of nuclear weapons will only strengthen regional stability, by restoring within the framework of the regional balances of forces the *pat* military-political situation that was typical of the European continent in the period of the *Cold War*.

As such time one forgets that the relative military-political equilibrium in Europe during the period of the American nuclear monopoly (1945-1949) and at the initial stage of the bilateral nuclear confrontation (1949-1956), when the number of militarily applicable nuclear munitions was relatively small, was carried out at the expense of combining a number of factors that included Soviet superiority in conventional arms, the small vulnerability of the national territory of the United States, the existence of a strong air-defense system in the USSR, as well as the possibility of the waging by the Soviet Union or its allies (Chinese People's Republic, North Korea, insurgent movements) of combat actions against the West, not only in Europe, but in a number of other regions.

In our view, the possibilities of the arising of a stable counterforce deterrence with the use of nuclear weapons are comparatively small, as a result of two factors:

— the insignificant quantities of nuclear weapons. In most instances this is a matter only of dozens of pieces of munitions that are situated, for the most part, on *dual-purpose* carriers;

— the constructive defense, and consequently the combat stability, of elements of the nuclear-missile potential is rather weak. That weakness is intensified by the fact that only individual regional *centers of power* that lay claim to the possession of nuclear weapons have at least a minimally reliable air-defense system.

As a result, the problem of the first (*disarming*) strike not only is not removed, but, on the contrary, that version of waging combat actions both from the political and the military point of view, becomes attractive. Crisis stability may substantially worsen, and the potential scale of escalating the crisis may be given a sharper and, in the event of a suddenly arising crisis, uncontrollable nature.

In this sense something that represents danger is the possibility of delegating the decisions concerning the specific form, time periods, and objectives for the application of nuclear weapons and other types of mass-destruction weapons from the political leadership to the commanders of the appropriate subdivisions and units. That precedent was created by the orders issued by Saddam Hussein on the eve of the Persian Gulf War of 1991, which stated that, in the event of the disruption of communication or the lack of orders issued by the higher military and political leadership, ballistic missiles (and possibly also chemical weapons)could be employed on the basis of instructions given by the commanders of the appropriate units. Despite the fact that this situation most likely may be credited to Iraqi propaganda, it creates an extremely unpleasant precedent for the future. Certain Pakistani political experts also certified that Pakistani nuclear weapons are primarily under the control of the military leadership, rather than civilian. In Israel, on the contrary, it is felt that nuclear weapons are entirely and completely controlled by the politicians, and, moreover, the military leaders, as admitted by Israeli specialists, are banned from viewing nuclear weapons as a part of the military arsenal.

It is also doubtful that at the given level of development of the nuclear potentials of the *third world* countries, they possess the possibilities of carrying out *deterrence* on the basis of the counterforce potentials and the principles of application of carriers of mass-destruction weapons, on the whole, and of nuclear weapons, in particular. This is linked primarily with the technical aspects of the problem: with the complexity of creating delivery means with a high accuracy of hitting and destroying the protected targets.

The delivery means that actually exist in the *threshold*and *near-threshold* countries, with regard to their operating specifications, and in particular their strike accuracy, are intended to destroy area-type, large-sized targets, rather than pinpoint targets, that is, they are intended primarily for densely populated regions. This is also attested to by the experience of employing ballistic

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missiles in the Iraqi-Iranian War and in the course of the conflict in the Persian Gulf in 1991. These technical peculiarities of the delivery means fundamentally hinder the application of nuclear weapons on a field of combat with military-tactical targets, without, however, removing the possibilities of their use for show purposes.

Actually, *deterrence* may be carried out only at the expense of a threat of reciprocal annihilation. The formation this type of *deterrence* in a number of regions, and particularly in the Middle East and partially in Northeast Asia, is possible at the expense of the negative ecological consequences of the application of nuclear weapons, both for the country against which they were employed, and for the country that employed them, as a result of the geographical parameters of the region. However, in an instance with countries that are relatively large in size, for example, *pairs* of regional opponents, such as Argentina-Brazil, India-Pakistan, and partially Iran-Iraq, this element of deterring the very possibility of the use of nuclear weapons proves to be weaker. A concomitant fact that additionally worsened the crisis stability in the military balances among the *third world* countries in the event of bringing in the nuclear element there is the practically universal absence of a system of early warning and of crisis communication lines that could prevent the making of wrong decisions. Such systems exist and operate comparatively effectively only in Israel and India, and certain backlogs exist in other threshold countries, such as Libya and North Korea, but in a number of situations where the countries declare their striving for the creation of nuclear weapons these systems are lacking.

Under conditions when certain *third world* countries obtain nuclear potentials, there is an increase in the danger of nuclear terrorism and the making of unsanctioned decisions concerning the use of mass-destruction weapons, as a result of the fact that in many of the threshold countries, and particularly in Iraq, Pakistan, and certain others, the domestic situation remains potentially unstable.

**Thus, it is possible to make the following conclusions relative to the role of the nuclear factor in the regional balances of forces:**

1. A final disavowal of the role of the nuclear factor as an instrument for guaranteeing the military-political stability of a particular state or regime has not occurred.

2. On the regional level, there continue to exist serious incentives for the possession of nuclear weapons, both of a subjective nature (depending upon the political course taken by the particular country) and of an objective nature (those linked with the overall military-political context).

3. No decisive stabilization of the military-political balance, when one or several of its participants obtain nuclear weapons, is occurring.

4. The resolution of problems of the nonproliferation of nuclear weapons under the given conditions proves to be possible only when there is a combination of measures of a global order and the change of the regional factors (primarily through the creation of regional systems of collective security and measures of trust).

[Bio]

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Graduated from Institute of the Countries of Asia and Africa, MGU [Moscow State University] imeni Lomonosov. Candidate of political sciences, specialist in the field of limited military conflicts and the application of military force. Author of a number of articles published in Russia,, the United States, and Israel on problems of military policy, including: "American Military Strategy in the Post-Soviet Period" (1992), "Limited Military Conflicts and Problems of Russia's Security: Strategic Approaches" (1993), and "Russia During the Era of the 'Fighting Kingdom'" (1992). Co-author of the monograph "First Frosts: Soviet-American Relations in 1945-1950" (1995). At the present time, senior scientific associate of the Russian Institute of Strategic Research (RISI), and expert at the Center for Political Research in Russia (PIR Center).

## CIS: Interparliamentary Convention Ratified

*964F2676A Moscow ROSSIYSKAYA GAZETA (EKONOMICHESKIY SOYUZ Supplement) in Russian 22 Jun 96 p 9*

[Law: "RF Federal Law 'Ratification of the Convention on the Interparliamentary Assembly of the States Participating in the Commonwealth of Independent States,' adopted by the State Duma, 24 May 1996, approved by the Federation Council, 5 June 1996"]

[FBIS Translated Text] Ratify the Convention on the Interparliamentary Assembly of the States Participating in the Commonwealth of Independent States, which was signed by the states participating in the Commonwealth of Independent States in the city of Minsk on 26 May 1996, with the following stipulation:

"The Russian Federation proceeds from the fact that the principles in the Convention on the Interparliamentary Assembly of States Participating in the Commonwealth of Independent States, which principles stipulate the possibility of the carrying out by the Interparliamentary Assembly or its agencies of commercial activity for purposes of extracting profit, are incompatible with

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the status of the Interparliamentary Assembly as an interstate agency of the CIS that is financed on the basis of the shared participation of the participant-states and does not consider itself to be bound by the corresponding principles of the Convention"

and with the following statement:

"The Russian Federation proceeds from the understanding that the principles in paragraph "e" ["d" in Cyrillic alphabetic order] of Article 4 of the Convention on the Interparliamentary Assembly of States Participating in the Commonwealth of Independent States may be of only a recommendational nature."

[Signed] B. Yeltsin, president of the Russian Federation

Moscow. The Kremlin.
17 June 1996
No. 75-FZ [Federal Law]

**CIS, Agreement on Quadrilateral Committee**

*964F2676B Moscow ROSSIYSKAYA GAZETA (EKONOMICHESKIY SOYUZ Supplement) in Russian 22 Jun 96 p 10*

[Agreement: "Agreement on the Interparliamentary Committee of the Republic of Belarus, the Republic of Kazakhstan, the Kyrgyz Republic, and the Russian Federation"]

[FBIS Translated Text] The Supreme Council of the Republic of Belarus, the Parliament of the Republic of Kazakhstan, the Zhogorku Kenesh of the Kyrgyz Republic, and the Federal Assembly of the Russian Federation, subsequently referred to as the Parties,

— guided by the Treaty Among the Russian Federation, the Republic of Belarus, the Republic of Kazakhstan, and the Kyrgyz Republic concerning the deepening of the integration in the economic and humanitarian areas, dated 29 March 1996 (subsequently, the Treaty),

— for purposes of promoting the gradual deepening of the integration of the states participating in the Treaty in economics, science, education, culture, the social sphere, and others areas, and the improvement of interparliamentary cooperation,

— proceeding from the fact that, in conformity with Article 17 of the treaty, the Interparliamentary Committee is being established,

and confirming their readiness to continue to take active part in the activity of the Interparliamentary Assembly of states participating in the Commonwealth of Independent States,

have agreed to the following:

**Article 1**

The Interparliamentary Committee of the Republic of Belarus, the Republic of Kazakhstan, the Kyrgyz Republic, and the Russian Federation (subsequently, the Interparliamentary Committee) is formed in conformity with Articles 17 and 22 of the Treaty as a joint agency for administering the integration and interparliamentary cooperation on parity principles, made up of parliamentarians who are delegated by the Parties.

**Article 2**

The parliamentarians who have been delegated by the Parties form parliamentary delegations of the states participating in the Treaty in the Interparliamentary Committee.

The parliamentary delegations of the states participating in the Treaty in the Interparliamentary Committee possess equal rights, with each of them having one vote.

The Parties may instruct to represent their interests in the Interparliamentary Committee the parliamentary delegations of their own states in the Interparliamentary Assembly of States Participating in the CIS.

**Article 3**

The Interparliamentary Committee carries out its activity on the basis of the Treaty, this Agreement, and the Statute on the Interparliamentary Committee of the Republic of Belarus, the Republic of Kazakhstan, the Kyrgyz Republic, and the Russian Federation, which, after its confirmation in the procedure established by Part 3 of Article 18 of the Treaty, becomes an inseparable part of this Agreement.

**Article 4**

Sessions of the Interparliamentary Committee are held at least once every four months in the city of St. Petersburg or in the capitals of the states participating in the Treaty, unless otherwise accepted by the Parties.

**Article 5**

The Chairman of the Interparliamentary Committee and his deputies are elected at a session of the Interparliamentary Committee from among the administrators of the Parties, for a term of one year on a rotating basis.

The organizing of the activity of the Interparliamentary Committee is carried out by the Bureau of the Interparliamentary Committee, which consists of the empowered representatives of the parliamentary delegations of the states participating in the Treaty (two from each parliamentary delegation), which number includes the

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Chairman and the deputy chairmen of the Interparliamentary Committee.

**Article 6**

The Interparliamentary Committee, for purposes of bringing the legislation of the states participating in the Treaty closer together and making it more harmonious, enacts model legislative acts, on the basis of which the acts of the national legislative bodies are developed; makes recommendations pertaining to questions of developing the legal basis of integration; discusses questions of cooperation among the states participating in the Treaty; and carries out other functions in conformity with the Statute on the Interparliamentary Committee of the Republic of Belarus, the Republic of Kazakhstan, the Kyrgyz Republic, and the Russian Federation.

**Article 7**

In the event that the Interparliamentary Committee, in conformity with Part 1 of Article 24 of the Treaty, enacts a decision that is subject to transformation into the national legislation of the states participating in the Treaty, the Interparliamentary Committee provides, with regard to that decision, its findings, which may be taken into consideration by the Parties when they are executing the procedures within their states.

**Article 8**

The participants in sessions of the Interparliamentary Committee may include representatives of the Interstate Council, the Integration Committee, and, as observers, representatives of the parliaments of other states that are participants in the CIS, other states, and international parliamentary organizations.

**Article 9**

The informational, legal, technical-material, and organizational support of the activity of the Interparliamentary Committee is carried out in interaction with the Secretariat of the Council of the Interparliamentary Assembly of the States Participating in the CIS, on the basis of the appropriate treaty.

The location of the Interparliamentary Committee is the city of St. Petersburg.

**Article 10**

In conformity with Part 4 of Article 18 of the Treaty, the activity of the Interparliamentary Committee is financed from funds allocated by the states participating in the Treaty for the maintenance of the agencies administering the integration.

The activity of the parliamentary delegations in the Interparliamentary Committee are financed by the parliaments of the states participating in the Treaty.

**Article 11**

This Agreement is open for annexation to it of the parliaments of other states that have annexed themselves to the Treaty.

**Article 12**

This agreement goes into effect at the moment of its signing and operates, and is extended, in the same procedure that has been established for the Treaty.

Completed in the city of Bishkek on 28 May 1996 in four copies in the Russian language.

## CIS: Quadrilateral Agreement Commented On

*964F2676C Moscow ROSSIYSKAYA GAZETA (EKONOMICHESKIY SOYUZ Supplement) in Russian 22 Jun 96 p 10*

[Article by Anna Kozyreva, under rubric "Commentary": "The Big Four Begins and... Wins?"

[FBIS Translated Text] Well, as the expression goes, the integration of the CIS countries that people have talked about so much is beginning to take on forms that are more real. At the May session of the Interparliamentary Assembly in Bishkek, the states participating in CIS adopted a number of documents that are supposed to promote the creation of the legal base for the integrational processes. There was a discussion of the tasks of developing the Commonwealth and the strengthening of interparliamentary cooperation.

At the same time the heads of the parliamentary delegations of the states that signed, on 29 March 1996, the Treaty among the Russian Federation, the Republic of Belarus, the Republic of Kazakhstan, and the Kyrgyz Republic concerning the deepening of the integration in the economic and humanitarian areas, signed, in the course of a separate meeting, an Agreement on the Interparliamentary Committee. Thus, one can speak of the creation within the framework of the CIS of a "big Four." Because, from now on, a joint agency for administering the integration has been created.

Now the parliaments of the states that signed the agreement are beginning to develop specific proposals to bring their legislative systems closer together and to develop possible resolutions of the problems that have accumulated.

And a rather large number of problems have actually accumulated.

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It is no secret that recently the new Central Asian states have fallen into the zone of interests of a number of Eastern powers and China. And Kyrgyzia and Kazakhstan are no exception. The commodity turnover among our countries has dropped sharply, and the debts that Kyrgyzia and Kazakhstan owe Russia have risen. In Kazakhstan, in addition, 60 percent of the direct investments in the oil industry have come from the United States.

Therefore one may consider to be an important result the decision by the Kyrgyz side to transfer to the account for paying off this debt to our country the shares of a number of enterprises, and the readiness of the Kyrgyz side to participate in the creation of transnational companies.

In the course of the meetings, there was also discussion of the position of Russians residing on the territory of Kyrgyzia and Kazakhstan. Alas, not everything is going smoothly here. The Federation Council has received appeals from a rather large number of our compatriots who are complaining about the appearance of nationalism in everyday life. Correspondingly, there has also been an increase in the flow of migrants. In this regard, large hopes are being placed on the newly created committee. True, currently it is necessary as quickly as possible to move ahead and to develop a mechanism for implementing the decisions that have been made. Everything is not so simple here. Among the documents that have been signed by the MPA [Interparliamentary Assembly], many still exist only on paper. The number of such unimplemented documents is already more than 1000! Time will show whether the committee that has been created will be able to avoid their fate.

### CIS: Internal Affairs Minister's Statute on Crime

*964F2677A Moscow ROSSIYSKAYA GAZETA (EKONOMICHESKIY SOYUZ Supplement) in Russian 22 Jun 96 p 7*

[Statute: "Statute on the Council of Internal Affairs Ministers of the States Participating in the Commonwealth of Independent States"]

[FBIS Translated Text]

#### I. General principles

1. The Council of Internal Affairs Ministers of the States Participating in the Commonwealth of Independent States (subsequently, SMVD [CIAM]) was created by Decision of the Council of Heads of State of the Commonwealth of Independent States, dated 19 January 1996, for purposes of the interaction and coordination of the actions in the fight against crime.

2. This Statute defines the legal status and organizational foundations of the activity of the CIAM.

3. The CIAM is an agency of the Council of Heads of State and the Council of Heads of Government of the Commonwealth of Independent States with regard to questions falling within the competency of the internal affairs ministries of the states participating in the CIS, as well as other state agencies executing analogous functions (subsequently, foreign affairs ministries).

4. The following are members of the CIAM: internal affairs ministers, as well as the heads of other state agencies executing analogous functions (subsequently, internal affairs ministers) of the states participating in the CIS, the heads of which have signed the Decision concerning this Statute.

5. The CIAM in its activity is guided by the CIS Charter, the decisions of the Council of Heads of State and the Council of Heads of Government of the CIS, as well as this Statute.

6. The CIAM carries out the guidance of the Bureau For Coordinating the Fight Against Organized Crime and Other Dangerous Types of Crimes on the Territory of the CIS (subsequently, BKBOP), and has the right to create its own working agencies on a temporary basis.

#### II. Tasks and functions

7. The basic tasks of the CIAM are:

7.1. The guaranteeing of interaction in the fight against crime, in the preservation of law and order, and in other spheres of activity of the internal affairs ministries.

7.2. The implementation of the decisions of the Council of Heads of State and the Council of Heads of Government of the CIS with regard to questions that fall within the competency of the internal affairs ministries.

7.3. The promoting of harmonization of the national legislation with regard to questions falling within the competency of the internal affairs ministries.

8. For purposes of fulfilling the tasks entrusted to it, the CIAM carries out the following functions:

8.1. It reviews questions of fighting crime, of strengthening law and order, and organizing the interaction among the internal affairs ministries on the territory of the states participating in the CIS.

8.2. It reviews recommendations concerning questions falling within the competency of the internal affairs ministries, and submits them in the established procedure for review by the Council of the Heads of State and the Council of the Heads of Government of the CIS.

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8.3. It reviews the rate of fulfillment of the decisions of the Council of Heads of State and the Council of the Heads of Government of the CIS that pertain to the competency of the CIAM, as well as the documents adopted at CIAM sessions.

8.4. It promotes the reciprocal exchange of experience and information among the internal affairs ministries.

8.5. It appoints (dismisses) the BKBOP Director and his first deputy, for a term of two years, and also approves the structure and table of organization and submits for review by the Council of Heads of Government of the CIS a draft of the estimate of expenses for maintaining the BKBOP.

The deputies of the BKBOP Director, *ex officio*, are the empowered representatives of the internal affairs ministries of the states participating in the CIS.

8.6. It periodically creates a commission and establishes the procedure for monitoring the economic-financial activity of the BKBOP. It reviews the annual report on the use of appropriations to support the activity and maintain the personnel of the BKBOP.

8.7. It carries out interaction with agencies of the Commonwealth with regard to questions of the fight against crime and the strengthening of law and order.

**III. Organization of the work**

9. The basic form of CIAM activity is the holding of sessions, which are held as needed, but at least twice a year. Special sessions can be convoked on the basis of a decision by the Council of Heads of State and the Council of the Heads of Government of the CIS, and also with the consent of no less than half its members on the initiative of one member or several members of the CIAM.

The preparation and the financial and technical-organizational support of a regular CIAM session are carried out by the internal affairs ministry that is the organizer of the session, in interaction with the BKBOP and the Executive Secretariat of the CIS, with mandatory study of the documents by experts of the internal affairs ministries.

The organizer of a regular CIAM session is required to send to the CIAM members a draft of the documents no less than 30 days before the session. The CIAM members must present to the session organizer their findings with regard to these document drafts no later than ten days before the beginning of the session.

A special CIAM session is prepared by its organizer.

10. The following take part in the session, with right of the deciding vote: internal affairs ministers of the states participating in the Commonwealth that are CIAM members, and, in exceptional instances, their deputies. During the enactment of decisions, the principle that is in effect is: one state, one vote.

A CIAM session is considered to be valid if no less than two-thirds of its members take part in its work.

11. On the basis of a decision by the CIAM, the participants in the work of a CIAM session may include, as observers, representatives of internal affairs ministries that are not participants in the CIAM, as well as representatives of the appropriate international organizations.

12. The person presiding at the CIAM session is the internal affairs minister of the state on the territory of which the session is being held, and he is also CIAM chairman until the next regular CIAM session.

13. The CIAM chairman:

— organizes the execution of the instructions of the Council of the Heads of State and the Council of the Heads of Government of the CIS and the decisions of the CIAM;

— represents the CIAM at sessions of the Council of the Heads of State and the Council of the Heads of Government, and other statutory agencies of the CIS, as well as in relations with the states participating in the Commonwealth and other states and international organizations with regard to questions linked with the activity of the CIAM;

— organizes the providing to the mass media of information concerning the activity of the CIAM;

— executes other assignments from the CIAM.

14. The CIAM sends to the Executive Secretariat of the Commonwealth its recommendations for the agenda of sessions of the Council of Heads of State and the Council of Heads of Government of the Commonwealth, as well as drafts of the prepared documents for their legal study and consideration by experts.

15. The CIAM documents are adopted with the common consent of the CIAM members who are present. Any CIAM member may declare its lack of self-interest in a particular question, which action must not be viewed as a hindrance for enacting a decision with regard to that question, or for the annexation of the particular CIAM member in the future to the decision that was enacted. The representatives of the internal affairs ministries that are participating in the CIAM session as observers have the right to sign decisions enacted by the Council.

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16. In the course of the work of a regular CIAM session, the location of the next session and its organizer are defined.

17. The CIAM may adopt decisions, communiques, statements, messages, and recommendations. The results of the session are formalized as minutes.

18. A CIAM decision, upon coordination with the Executive Secretary of the Commonwealth, appoints the CIAM Representative under the Executive Secretariat of the Commonwealth, who is subordinate to the CIAM and executes his functions within the limits of the powers defined by that Council.

19. The working language of the CIAM is Russian.

20. The depositary of the documents adopted at the session is the Bureau For Coordinating the Fight Against Organized Crime and Other Dangerous Types of Crimes on the Territory of the Commonwealth of Independent States.

[Decision]

**Decision on the Statute on the Council of Internal Affairs Ministers of the States Participating in the Commonwealth of Independent States**

The Council of the Heads of State of the Commonwealth of Independent States has decided:

1. To approve the Statute on the Council of Internal Affairs Ministers of the States Participating in the Commonwealth of Independent States (appended).

2. This Decision goes into effect on the day of its promulgation.

Completed in the city of Moscow on 17 May 1996 in one true copy in the Russian language. The true copy is kept at the Executive Secretariat of the Commonwealth of Independent States, which will send to each state that has signed this Decision its certified copy.

[Signed]

For the Azerbaijan Republic, G. Aliyev For the Republic of Armenia, L. Ter-Petrosyan For the Republic of Belarus, A. Lukashenko For Georgia, E. Shevardnadze For the Republic of Kazakhstan, N. Nazarbayev For the Kyrgyz Republic, A. Akayev For the Republic of Moldova, M. Snegur For the Russian Federation, B. Yeltsin For the Republic of Tadjikistan, E. Rakhmonov For the Republic of Uzbekistan, I. Karimov

**CIS: Payment, Currency Union Issues Analyzed**

*964F2673A Moscow ROSSIYSKAYA GAZETA (EKONOMICHESKIY SOYUZ Supplement) in Russian 22 Jun 96 pp 5,7*

[Article by Tatyana Valovaya, doctor of economic sciences: "Payment Union: Imaginary and Real"]

[FBIS Translated Text] According to the tradition that has become established, everyone upbraids the CIS for having become the champion with regard to the number of unfulfilled agreements. Actually, several hundreds of them have been signed, but the ones that are in operation can be counted on both hands. But sometimes, if the truth be told, one can only rejoice at the quick death of treaties, inasmuch as frequently they are, as the French say, "holiday children," that were conceived in the state of the drug-induced euphoria of unification. And the attempt to implement these unviable documents would do more harm than good.

The road to Hell is paved not only with good intentions, but also with correct decisions that were made too late. The history of monetary-credit and currency integration in the CIS is specifically a sequence of decisions that were in general correct, but which were made at the wrong time. Their implementation would bring more harm than good, and thank God that most of them remain unfulfilled.

Today, when there exists the January decision of the heads of state concerning the formation the payment union of the CIS countries in the same "format" as the customs union; when modifications are being made in the long-range plan for the integrational development of the CIS countries in 1996-1997, in which a special section has been devoted to the problems of creating the payment and currency union; and when negotiations are being conducted more and more vigorously concerning the need for an interstate monetary unit, it is important to guard against any new and expensive mistakes.

In 1991, when the idea of renewing the Union was in the air, most economists were in solid agreement about one thing — whatever the future political structure of the relations among the republics would be, it is important to preserve a single economic space and a single currency. But the situation changes in 1992, when the collapse not only of the political union, but also of the economic one, becomes a fact. The republics begin the changeover to the market in an uncoordinated manner. The first spurt is made by Russia, leading to a sharp upsurge in prices on its territory. The other republics, attempting to protect their domestic markets, introduce administrative limitations on economic-trade ties. The single economic space is torn apart. As a result,

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a number of CIS countries declare their intention to introduce their monetary units in the future.

It becomes clear to economists that the artificial preservation of the ruble as a single currency, in a situation when Russia has actually lost its control over what had at one time been a single monetary-credit and financial system, is fraught with serious inflationary consequences and that, under those conditions, national monetary units are a blessing for everyone. Ideas are born — ideas of forming a payment union that resembles the European Payment Union of the 1950's, which may prevent the collapse of the economic-trade ties that are intensifying the production slump.

Meanwhile, despite the tendency that was noted, Russia's representatives deny the inevitability of introducing national currencies, and consider the discussions about the payment union to be practically provocational, and measures for pushing the republics toward leaving the ruble zone. Instead of recognizing the fact that, whereas there are no longer any conditions for preserving the single currency and there are not yet any conditions for introducing the convertibility of the new national units, a possible resolution is the creation of a payment union, and an attempt is being made to preserve the "renewed currency union."

In October 1992 eight CIS countries ceremoniously signed the Agreement on the preservation of the ruble as a single currency, a decision that would have been a positive one a year previously, but that, under the conditions of the sharp difference that was revealed in the rates of reform in the economies, became senseless. Fortunately, it was not implemented. But the entire year of 1993 was marked by attempts to reconcile the concept of a single currency and Russia's need to restore its control over the monetary-credit system. That found its reflection first in the July-August 1993 conflicts, that were linked with unilateral decisions concerning the replacement of old-model rubles, and subsequently in the September agreements on a "new-type ruble zone." As a result, the favorable moment for forming an effective payment union is lost. The separation of the monetary-credit system of the former USSR is carried out not by a surgeon's scalpel, but by a kitchen knife, with all the consequences resulting from that.

True, in January 1993 the agreement on the CIS Interstate Bank is signed. That bank could become the center of that union, but the idea is not carried out to its end. It is not until 1994 that work begins on an agreement concerning the payment union. But the situation has changed again! Practically all the CIS countries have introduced national monetary units, but their strength is different. In particular, Russia, which had moved ahead of everyone else in guaranteeing the domestic convertibility of the ruble, obviously does not need a classic payment union in the framework of which it would have to become a financial donor. But the idea of a payment union — once again, with a delay — overcomes the political elites of most of the Commonwealth countries.

**No One Needs the Payment Union, but...**

So, in October 1994 the Agreement on the creation of the payment union is signed. However, in this document, specifically because of the need to take Russia's economic interests into consideration, practically nothing remains of the classic payment union. In conformity with this agreement, the countries are supposed to assume reciprocal pledges to recognize the national monetary units as currency in contracts involving trade and nontrade operations; to guarantee the free exchange at market currency rates of exchange in the domestic currency market; to assure the state-guaranteed convertibility for socially significant payments; to transfer to commercial banks the right to make settlements and offer credit, bypassing the single balancing accounts in central banks; etc.

As we can see, this document does not have anything in common with the traditional scheme. Instead of a multilateral clearing operation, there is a system of bilateral agreements. Instead of the use of unconvertible currencies, there is the gradual introduction of reciprocal convertibility. Instead of a mechanism for automatic granting of credit (within the limits of the established quotas), there is are bilateral understandings concerning credit. Instead of settlements through central banks, there is, essentially speaking, the complete elimination of them from interstate settlements and the carrying out of payments by way of commercial banks.

As a result, the Agreement on the payment union of the CIS countries, apart from the fact that it was accepted with a tremendous delay, is a symbol of the most contradictory views. That has, in particular, two consequences.

First of all, the Interstate Bank that was created with the assumption that there would be a full-fledged payment union, proves to have nothing to do. During the three years of its existence it has not carried out a single operation. Without a doubt, there are subjective reasons for its inactivity, but the main thing is that it was created to service a "classic" payment union, which was not actually formed.

Secondly, even the "transformed" concept of the payment union that was signed in 1994 also proved to be stillborn, inasmuch as it did not conform to the real-life

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economic situation. How can one construct a system of settlements on the basis of the reciprocal circulation of currencies if, by 1995, sharp differences in their strength had already been revealed? The Russian ruble because, essentially speaking, a hard currency on CIS space, and the guaranteeing of its reciprocal exchange with "soft" currencies is not supported by any economic logic.

It would seem that it was primarily for this reason that this agreement got hung up. For a long time no one at all ratified it. At the present time it has been ratified by six countries, not including Russia. This attests rather eloquently to the fact that the CIS payment union has not occurred in this form.

What, then, are the real paths for integration in the monetary-credit sphere, which take into consideration the present-day level of the development of the CIS countries and the disparities among them in the level of reform of the economies? Let us begin with what is, I daresay, the most debatable topic — the interstate unit.

**What Kind of Currency Do We Need?**

There are counting units that do not fulfill any monetary functions, but simply serve for convenience in computing the overall budget, comparing economic indicators, volumes of trade, etc.

The next alternative is a more advanced form of counting unit, a form that is constructed on the base of a "basket" of currencies. These units appeared in the world with the introduction of floating rates of currency exchange.

But the "basket" unit makes sense only if it is well balanced. The ECU, for example, depends by no more than one-third upon the West German mark.

As for the introduction not simply of settlement units, but of units that possess certain monetary functions, which is proposed by the agreements among "the Two" and "the Four," under present-day conditions, it would seem, this is dangerous for the economy of the CIS countries.

After all, a common currency is a currency that functions in parallel with the national currency, alongside of it, but a single currency replaces the national ones,which is a more advanced stage of integration. Consequently, "the Two," it would seem, should strive for a single currency, and "the Four" should strive for a common currency, but in the agreements everything is written in exactly the reverse. Obviously, no one even gave any particular attention to thinking about these terms. And yet they are not of a linguistic, but economic nature.

Do the CIS countries need these kinds of currencies? A common currency is certainly not needed. There should not be any experimentation here. It is better to trust the numerous fundamental research studies that were carried out by the European Community on the threshold of the signing of the Maastricht Treaty, which studies convincingly proved that a common currency functioning in parallel with the national currencies is fraught with the intensification of the inflation and losses by those countries of control over the monetary-credit sphere.

So a single CIS currency in the future will undoubtedly become an inevitability, but only in the event that the Commonwealth countries create a full-fledged economic and currency union, having passed through all the stages of integration — the free-trade zone, the customs union, the single domestic market — and only then the economic and currency union.

In the history of Europe there is an astonishing date of unrealized hopes — 1980. The citizens of the YeS [European Community] were promised a single currency by that deadline. But in Europe by that moment there were no conditions for introducing a single currency and it was not until the late 1980's, as a result of the creation of the single domestic market, that plans appeared for resuscitating the idea of an economic and currency union, which found its reflection in the Maastricht Treaty But this time there were not projects, but settlements.

Currently we are far from the criteria of convergence and one would scarcely think that we shall approach them within the next 10-15 years.

A factor of life in the Commonwealth is the existence of national monetary units that are dissimilar in strength, as well as the need for an effective payment system that would not hamper movement in the direction of convertibility. Under these conditions, it would seem, it is necessary, for the time being, to exclude from the CS lexicon the term "currency union" and to think about less rigid forms of organizing currency relations.

**Praise of Discrimination**

Incidentally, I do not preclude the desirability of resuscitating the idea of the payment union. But that union must resolve completely different tasks, and the traditional scheme must be substantially modified, inasmuch as the introduction of the partial convertibility of the Russian ruble and the annexation of Russia to Article 8 of the IMF Charter create a new situation in the PS [payment union], reducing Russia's interest in participating in a system of settlements on the basis of unconvertible currencies.

Nevertheless there exists an exceptionally weighty argument in favor of the payment union — the necessity

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of creating payment mechanisms that would encourage the development of economic-trade ties among the economically functioning subjects of the CIS countries on the basis of market relations. In other words, we are talking not about maintaining the "traditional" ties, but about creating a new structure of economic-trade relations that takes into consideration the need for specific structural reforms in the economy. The payment union, to a definite degree, must promote the "positive discrimination" of the CIS countries, making economic cooperation among them more advantageous that with third countries.

It would seem that this question is exceptionally acute for Russia. If the introduction of the partial convertibility of the ruble is not supplement by any preferential mechanisms with respect to the CIS countries, Russian enterprises will completely lose their already reduced interest in economic-trade ties with the "near abroad." And at the same time, if one speaks about Russia's strategic interests, it is without a doubt that its "voluntary isolation" from the other former union republics will develop in the future into a geopolitical and geoeconomic catastrophe.

The most effective method for supporting Russian producers, the necessity of which has been discussed so much recently, would be, in our view, the combination of the restructuring of the economic and an aggressive export policy. Export already represents 20 percent of Russia's VVP [gross domestic product]. That is an exceptionally high figure, and from the geographical point of view it is aimed to a considerable degree at the Western countries, and with regard to structure it is represented by the output of the TEK [fuel and energy complex] and several other raw-material branches.

In our view, it is necessary to expand the export geography, by returning to the markets that we have deserted in the CIS countries.

How, then, does one guarantee this aggressive directedness in Russian export? Of course, there exist rather well-developed trade mechanisms for state encouragement of export, which mechanisms are used by all countries. But in the specific conditions of Russia, a special role can be played by the payment union, which would include definite financial incentives for development multilateral trade within the framework of the Commonwealth.

Under the present-day conditions, in our view, the payment union will be justified if it encourages trade in the output of the processing industry and if it services only part of the reciprocal trade of the CIS countries, specifically that part that today is in withered condition. Only in this way will it repay the expenditures for its functioning.

A thesis that simultaneously evokes objection is the thesis approved by the CIS heads in January of this year concerning the formation of the payment union in the same "format" (read "makeup") as the customs union. The payment union necessarily means discrimination and the distortion of the commodity flows, and therefor, as applicable to the CIS, it must encompass the broadest possible circle of participants. If we limit ourselves only to members of the customs union, the makeup of which today has been dictated primarily by political considerations, then there is a great risk of seriously distorting the structure of foreign trade within the framework of the CIS, of cutting off the producers in those countries which, like, for example, Moldova and Ukraine, are not yet planning to join the customs union. In practice it is not the customs union that is the prerequisite for the payment union, but, on the contrary, it is the payment union, by increasing the rate of regional trade, that creates the base for the customs union.

All the conditions exist for assuring that, within the framework of the payment union, consideration is taken of the special position of the Russian ruble as the monetary unit of a country that is not only the strongest economically, but also the one that has moved farthest ahead in reforming its economy and in introducing the domestic convertibility of the ruble.

The strengthening of the positions of the Russian ruble in the foreseeable future can lead to the creation of a "ruble zone," not in those forms that were seen in 1992-1993, but a zone similar to the zone of the German mark, where other currencies in the region attempt to tie their currencies to the strongest units. This will provide the opportunity to create a regional currency system, by guaranteeing within its framework the coordinated floating of currencies, which is necessary for the normal functioning of the customs union. Without a doubt, this zone will be of an asymmetrical nature, but as has been demonstrated by the experience of the EU, this does not hinder the taking of steps in the future to achieve full-fledged currency integration.

## Russia/Czech Republic: Alim Karmov Scams in Russia/Czech Republic

*964F2672A Moscow IZVESTIYA in Russian 25 Jun 96 p 5*

[Article by Nelli Pavlaskova and Yelena Vishnevskaya, journalists: "Investors of All Countries, Unite! Almost

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an Espionage Story of Deceit With Assassination Attempts and Disappearances"]

[FBIS Translated Text] Prague-Moscow — The First Financial and Construction Company swindled approximately 100,000 Russian investors by failing to return money loaned to it. The story was repeated one and a half years later — this time the savings of thousands of Czech citizens disappeared in the bowels of the Futurum-Aurum firm. The schemes, which were used in both states, coincided in detail. It cannot be ruled out that the recipe for "emptying the pockets" of trusting people will be used in Germany and the Netherlands in the near future.

**Gold Fever**

On 22 May of this year, Alim Karmov, a millionaire businessman from Russia, was served supper in Prague's Pankratskaya Prison.

He found himself there after he was taken into custody in an investigator's office where they accused him of embezzling 40 million Czech krona (this is the equivalent of more than 1.5 million American dollars), which Czech investors had trustingly given him.

Immediately after being taken into custody, they formally arrested Karmov — the First Prague Court issued the order. Not without justification, the justice agencies fear that Karmov, if free, could go into hiding or hinder the investigation by putting pressure on witnesses and his employees. The latter, being without the boss, had immediately removed all the signs from the building where the three companies belonging to Karmov — the Futurum-Aurum Joint-Stock Company, the Futurum Share-Holding Fund and the First Financial and Construction Concern —were located. Instead of the signs, they hung a white flag of surrender from a window — a cloth with "Building for Rent" written in large letters.

Alim Karmov, a young man who looks like a Hollywood actor, began his career in the Czech capital two years ago. He himself was born in the city of Nalchik, the son of respected parents; his father was the director of a big enterprise and his mother served as the deputy minister of finance in the Kabardino-Balkar Republic. Karpov completed a motor-vehicle mechanic institute and economic courses; later, he began to devote himself to big business in Moscow.

Fate brought him together with Igor Peterikov, the director of the Russian First Financial and Construction Company that was part of the multispecialty Germes concern; Karpov became one of the co-owners.

In Karmov's words, it was Peterikov who sent him to Prague to open a European branch of the First FSK [Financial and Construction Company] and Germes there. According to other information, Karpov began his Prague career as a "hatter", that is, he sold Soviet Army service caps and caps with ear-flaps from a hawker's tray.

However that may be, Karmov conducted a successful advertising campaign for the First FSK and Futurum-Aurum in the most reliable Czech newspapers. Trusting in the promise to pay 25 percent a year income on their investments (according to a Czech yardstick, this is an unheard of "pile"), the citizens put their savings into the new company.

Meanwhile, Alim Karmov redeemed all the other co-owners' shares in the companies organized by him in the Czech Republic and began to report in an ad that a certain Swiss firm was supporting Futurum-Aurum. True, it later turned out that its participation was extremely symbolical.

The prospects of a "brilliant" business in Kazakhstan and Uzbekistan primarily attracted clients. Karmov offered himself and his firms as "conductors" for the Central Asian Republics.

Kazakhstan's gold and Uzbekistan's cotton acted as a magnet — 2,000 people brought their sizable savings to the stranger. Rates of 11 percent a year in Czech banks seemed trifling to them and they trusted Karpov. After the first clients punctiliously received interest three times each quarter and were even able to take possession of their deposits, the stream of clients began to grow.

**The Art of Seduction**

Karmov grew bolder. He appeared in the press with a new advertising campaign suggesting that citizens become so-called "silent partners, that is, participate in a company's capital. Without having a right to vote, the 'silent partner" would, nevertheless, receive a portion of the profits while at the same time sharing in the risk of the enterprises' bankruptcy.

Czech authorities permit this form of collaboration and it is a completely legal type of enterprise and investment. However, state agencies have warned investors about the shakiness of this type of enterprise. The press has reported the stories of Czech swindlers and the directors of the JLA-VIA, Wall Street, DTV, and VK Invest firms, which took one and a half billion Czech krona from the population and sheltered them abroad. However, it seemed to the investors in Karmov's companies that this could not happen to them.

Indeed, the firm was striking in its internal organization although, in the words of many who visited the office

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on Vatslavskaya Square, the most expensive street in Prague, an feeling, which they could not give words to, of something illegal and underhanded was present in it. Security composed of Czech "black sheriffs" (private detectives) halted the visitor at the front door. There was another post on the second floor. There were long inquiries — whom were you seeing and why. The questioning was conducted in the office of some Russian manager only in the presence of a security guard. Young women of indescribable Eastern beauty and speaking the purest Russian language walked about. Everywhere only the Russian language was heard — they did not hire local inhabitants to work in the company.

During the summer of 1995, journalists became interested in the group of companies belonging to Karmov — based on all external signs, these enterprises reminded one of Czech one-day firms. The manager, who was a graduate of Moscow's GITIS [State Institute for Theater Arts], eagerly showed the representatives of the press books with records of the firm's checking by the Czech Minister of Finance. The records confirmed that Futurum-Aurum and First FSK were conducting their affairs impeccably.

Rushing ahead, one can say: After Karmov's March confession that he had deceived the investors who had trusted in him, the Ministry of Finance declared that it had never inspected the enterprise's affairs.

It was clear from the documents offered by the manager that the First Financial and Construction Company, which is registered in Russia, was also a Futurum-Aurum partner. At that time — the summer of 1995, it was already clear that this company had deceived its investors. However, the manager hurriedly said that Futurum-Aurum did not have any relationship to the affairs of the First FSK in Moscow.

In January 1996, when giving an interview to Radio Liberty, Alim Karmov said that he "broke" with Peterikov immediately after his arrival in Prague because he did not agree with his methods for conducting business in the First FSK. Karmov even showed Peterikov's receipt on which the latter certified the acceptance of 400,000 U.S. dollars from Karmov in Prague in exchange for First FSK shares and wrote that he did not have any further claims on Karmov. In Karmov's words, he ceased being the director of First FSK's European branch at that time and founded a new company — Futurum Aurum — which had nothing in common with the Russian First FSK or with Germes.

In answer to the question of who his local partners were — according to Czech law, you see, a foreigner cannot found a firm in Prague without the participation of Czechs as responsible persons — Karmov said they were lawyers Ivan Solil and Libor Petrzhichek. True, it later turned out that all Czechs had left Futurum-Aurum in January of this year and Petrzhichek, who had guaranteed the solidity of Karmov's firm, had been the victim of a night assault. Some taxi-driver had shot him for unclear reasons and seriously wounded him.

At the beginning of March 1996, an event occurred which was a "clap of thunder in a clear sky" for the Czech investors.

PRAVO (the former RUDE PRAVO) carried on its pages an article signed by Alim Karmov. Here is an excerpt from it: "I appeal to you, ladies and gentlemen (he has in mind the investors —**editor's note**). I want to report to you something that has been long hidden. I will call this appeal a confession. I have decided to tell you something that no one else in this country, except me, knows. I have lived for 30 years thinking that I was living correctly. One splendid day, however, I understood that I was living as the worst kind of scoundrel — but, more than stopping doing evil, I want to repent. I say: I have deceived you all these years and I did not speak a word of truth to you. I did this to take your money from you and to give it to another. Having fallen once into this pit, it is impossible to extract oneself from it and — to tell the truth —it is terrible. I am ashamed to look in the eye the people to whom I caused harm because I understand that you are people and I am an animal — a Russian animal."

Karmov suggested that the investors give him six months to return the stolen 200 million krona through clean and honest business. Later, Karmov said more precisely that he still wanted to organize trade with the Central Asian republics and purchase a sectional tenement house in Prague and rent apartments — but he mainly wanted to begin a new advertising campaign and gather new money.

**'Moscow's Hand'**

Why did Alim Karmov suddenly decide to confess? Many think that, being a resourceful and careful man, he was feeling the growing attention on himself and his firms from state financial and law enforcement agencies in the Czech republic and made a preemptive move. Special interest in Karmov's activity in the Czech Republic had arisen after the visit of a delegation of the Russian First FSK investors to the Czech embassy in Moscow.

Having suffered from the fraud committed by the enterprise managed by Karmov's former partner, Igor Peterikov, the investors had not lost hope of getting their money back.

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The conversation with the first secretary of the Czech embassy in Moscow, (Tomash Sharepatka) — as a result of which Karmov's unusual article appeared in the press and, subsequently, his arrest occurred — can be considered a gesture of despair by the investors. You see, the Russian authorities, to whom the representatives of their initiative group had been appealing since the fall of 1994, were in no haste to restore justice.

Using various pretexts, the law enforcement agencies tried not to open up business in the companies which are included in the Germes "clan." Nevertheless, the investors did not give up. They also appealed to Moscow's Main Administration for Internal Affairs and, then, to the Russian Federation's Ministry of Internal Affairs; Federal Security Service; Sergey Shakhray, a vice premier at the time; Prime Minister Viktor Chernomyrdin; and Boris Yeltsin, Russia's president.

The answers received were basically not comforting. Someone said that it was impossible to institute a criminal case against the First FSK leadership — legal relations between citizens and directors are under civil legal procedures. Someone else said that he did not have the authority to decide the investors' problems. Only the Procurator General — true, not for himself but concerning the submission of Sergey Shakhray — admitted that the decision not to bring criminal proceedings against the First FSK directors was a mistake.

By that time, however, Igor Peterikov had already escaped abroad and the financial assets, real estate and property of the company were missing. The bank accounts were empty and the securities were the property of branch establishments or of structures not at all connected with the First FSK. True, the company itself was considered to be in existence as before only it was producing nothing and was not settling accounts with its investors. Therefore, it was difficult to accuse it of deception — the appearance was being created that the company was somehow suffering from temporary difficulties.

The initiative group of investors in the First FSK then undertook their own investigation. Its results were simply stunning.

**Naivete With a Value of Trillions of Rubles**

The First FSK company gathered assets from the population throughout Russia. The people in Moscow alone entrusted the savings of 50,000 individuals to it. Trillions of rubles flowed like a river; you see, the firm promised to pay up to 600 percent in annual interest! The interest of the people was whipped up by advertising — laudatory articles about the Germes entities appeared on the pages of the largest newspapers. Mister Neverov himself, the director of the Germes company (founder of the First FSK), personally vouchsafed for the reliability of his enterprises from the television screens. How could one not believe an individual who did not hide his face?

However, the payment of not only interest but also of the deposits themselves stopped after some time. Igor Peterikov promised for several months in a row to resume the issuing of money to the depositors; on 11 May 1995, however, he hid himself from the view of not only his clients — the police have also been looking for him since then.

While Peterikov was soothing the population, money from First FSK was going in unknown directions. Although the Kalita commercial bank (First FSK founded it) had responsibility for paying off the invested amounts and the interest according to the deposit agreements, as is evident from the text of these "documents," the company did not hand any money over to it. Information and documents concerning the deposit contracts also did not get to the bank.

As the depositors found out from their own investigation, the First FSK did not schedule collections and deliveries to the bank but converted the money into hard currency. One of the company's employees told the investors that bags and packages filled with cash were sent to a Moscow address: Petrovskiye linii, 1, entrance 5. The investors' initiative group found out that the office of the Futurum-Rus firm was located at this address. Alim Karmov, that same person who now sits in a Czech prison, headed it.

He was the expeditor for forwarding currency to the territory of the Czech Republic. Part of the money went in another direction — to the Central Asian republics. Branches of the companies included in the Germes structure were opened in them. Incidentally, in the Prague companies opened by Alim Karmov, part of the capital was paid in gold arriving from Kazakhstan.

How did the money of the Russian investors get to Prague? Igor Peterikov gave assurances that he gave 7 billion rubles to the Kazakh Aerlayn company without elaborating, it is true, how these assets managed to avoid bank accounts and the purposes for which Aerlayn received such a large amount. According to the words of that same Peterikov, the Kazakh company returned 2 billion rubles but the major portion — 5 billion — they took away from him forcibly. However, according to information received by the depositors as a result of their own investigation, these billions were also invested in the Czech Futurum-Aurum.

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It is becoming understandable — having successfully carried out the Russian-wide fraud, the silent partners were trying to repeat the scheme on the territory of the Czech Republic. They were not trying to be original — the Czech model repeated the Russian one in detail: a large-scale advertising campaign, directors of the enterprises meeting face to face with their clients, high interests rates for deposits, steady payments of money during the first months, one company founds a second, the second — a third, and so on. Even the fact that they enticed Russian investors with the lure of a "house which we are building," and the fact that Alim Karmov talked before his arrest about a project connected with the buying of a tenement house are words from one and the same song.

There is only one difference: Alim Karmov is sitting in prison and Igor Peterikov — is not there.

**Moscow, Prague, Hamburg.... Next — Everywhere?**

However, as some who took part in the investors' investigation of the Russian First FSK think, Igor Peterikov has possibly again appeared on the scene unknown to anyone. That same Czech Futurum Aurum partner, the lawyer Libor Petrzhichek, whom a night taxi-driver shot and who disappeared without a trace after leaving the hospital — who is he? There is a version that the director of the Russian First FSK and the Czech co-owner of Futurum-Aurum are one and the same person. It is not known which of the last names is the real one; however, it is not ruled out that it would not be difficult for Petrzhichek, who participated in military counterintelligence, to obtain a false Russian passport.

A bank has been set up in the German city of Hamburg using money from the First FSK and Germes-Finans. The threads of the now world-wide network of enterprises produced on the beneficial soil of trusting investors are stretching out also to the Netherlands and the United States.

The same persons are in the leading roles. Valentina Russkikh, the wife of Vladimir Teplitskiy, one of the Germes-Finans directors, is the manager of the bank in Hamburg. Irina Gutara, the chief bookkeeper of the Russian First FSK, now lives in Prague. She participated in the Futurum-Aurum organization. Her husband, Konstantin Gutara, a worker in the Mikeniks Computer Center developed the computer program for the First FSK AOZT [Closed-Type Joint-Stock Company.] In addition, Alim Karmov and Irina Gutara — even before the organization of the Czech enterprises — founded in Moscow a certain individual private enterprise, which received three billion rubles from the First FSK after the latter's cash payments had been stopped.

However, as the investors themselves think, all the above-listed persons are only the rank-and-file executors of someone else's plan. It is not for nothing that Peterikov and Karmov talked about large sums which they had to give to third persons: According to Peterikov's words, five billion rubles were transferred to the Kazakh Aerlayn (they had been taken forcibly) by him and Karmov admitted to the Czechs that he gave their money to someone whose name he was afraid to mention.

Moreover, not long before his arrest, Alim Karmov visited his parents who are now living on the island of Malta. It would seem, according to the logic of events, that Karmov, similar to Peterikov, should not have returned to Prague. However, he came to sit in a prison, evidently, "shielding" his "master" at whose disposal amounts, several-fold larger than the amount for whose loss Karmov will be judged in the Czech Republic, remain.

This unknown person "or unknown persons" are evidently "disposing" of those executors who have done their job. Petrzhichek, who survived after the attempt on his life, hastily disappeared by a miracle. In the text of Karmov's confession, one can single out references several times to a violent death, for example, "I do not want to die, I want to live" or "You always have time to kill me and plant me also," and "My life is in your hands." In addition, the Russian investors learned to their surprise that Karmov, a Chechen by nationality, in his "confession" to the Chechen citizens, placed an unexpected stress: "You are people and I am an animal — a Russian animal." Why did he do this? Is this not a clumsy attempt to direct one, who is seeking his own money, in a false direction?

Russian law enforcement agencies, although there are already several investigations on their account regarding the fraud of such companies as the Chara bank, Tibet Company and others, are afraid of the firms in the Germes family like they are of fire.

Will the citizens of any state rise up under a banner with the slogan: "Investors of all countries, unite!"?

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## Political Issues

### Russia: Lebed on Election Results, Joining Yeltsin

*964F2767A Moscow MOSKOVSKIYE NOVOSTI in Russian 25-30 Jun 96 No 25, p 3*

[Interview with Aleksandr Lebed conducted by Aleksandr Zhilin, MOSKOVSKIYE NOVOSTI Security Problems Department editor: "'I Am Not a Political Killer...' A Firsthand Account"]

[FBIS Translated Text] **At the request of MOSKOVSKIYE NOVOSTI Security Problems Department Editor Aleksandr Zhilin, Aleksandr Lebed comments on the events of recent days.**

[Correspondent] Your decision to support Boris Yeltsin in the second round of the presidential elections evoked a non-synonymous reaction in political circles and in society. The spectrum of opinions is very broad, ranging from the banal "Lebed has sold out for access to the state feeding trough," to the unthinkable "he will seize power by force..."

[Lebed] Unfortunately, our society has not been able to reach that boundary when the presidential election decides only the fate of the candidates, as for example in the USA. If our situation were the like that, then perhaps my actions would have been different. Yet today, perhaps for the last time, what is being decided is the fate of the country and the future of our children and grandchildren. Either, as we did in our time, they will have to wait with humiliation for a handout from the party bigwigs and hypocritically praise this handout, or they will live with only one dependence—on their own capacities. This is why no one can remain aside from this decisive choice today. And I, as a citizen, am included in this.

My choice is in no way associated with the state feeding trough. Had I acted differently when I was the commander of the 14th Army, carrying out all the stupid orders of the MO [Ministry of Defense], disintegrating the army which had been entrusted to me and selling off the arsenals, I would have everything today: A high post in the Ministry of Defense, millions of dollars in foreign banks, and villas not only in the nearby Podmoskovye, but also in the heavenly corners of the planet. So, was it worth it for me to make such an intricate cadre detour, so as to get to the state feeding trough by such a complicated path, when many millions in criminal dollar sums had flowed into my hands by themselves much earlier, and it was enough to say only one word—yes? I accepted Boris Yeltsin's offer based on obvious things. My consent to occupy a state post was associated with the non-acceptance of certain methods of reforming the state, when in a potentially rich country a significant part of the people endure unjustified deprivation, while the corrupt bureaucrats are getting fat. In order to combat these negative phenomena, one needs powers and authorities. My task consists of seeing that everyone takes off their hat to the Law, regardless of the position which they occupy, and that the reforms take place under stable circumstances. And I will have the spirit to actively work in this direction.

I would like to make separate mention of the Russian citizens who voted for me in the first round of the presidential elections. I value these people greatly, and have a deep respect for them. I dare say that these are people who know how to think and how to make a conscious choice, and I am convinced that they will vote not for a camp-like, but for a civilized order in the country. And it is for the sake of this, specifically speaking, that I am working in my new capacity today.

[Correspondent] Many people cannot answer the question of how you were able to force the resignation of such influential officials in one swoop, to expose the conspiracy within the Ministry of Defense...

[Lebed] It is naive to believe that General Lebed, in two days and single-handedly, forced the resignation of the vice-premier and the heads of the power departments. That is simply impossible, and therefore you should not ascribe to me the role of some political killer. After the first round of the elections, the president introduced changes into the complement of his command. It seems to me, there is nothing supernatural about this. Moreover, this is normal and explainable—the situation requires a change of tactics and forms of work. My task consists of seeing that, in the course of these changes, some hot heads do not overstep the law and thrust the country into a bloody sorting out. Therefore, when information was received regarding the possible initiatives by those surrounding Grachev to exert forceful pressure on the president, measures of a preventative character were immediately undertaken. Of course, it would have been effective to escort some of the generals to Lefortovo Prison. But all this is from the old, communist, arsenal of political struggle. My task consists of not allowing an exacerbation of the situation in the country in any form, while the degree of guilt of various persons must be established by the prosecutor's office and the courts. Strictly in accordance with the law. It is another matter that the strictest measures will be applied on my part toward persons who are aggressively not following the Law and the Constitution. But only at the stage of suppression of their anti-lawful and anti-constitutional activity. Everything else is in the hands of jurisprudence.

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[Correspondent] They say that you are actively lobbying for appointment of Sergey Glazyev to the government, and of General Igor Rodionov to the office of Minister of Defense?

[Lebed] These are unfounded statements. I am not a player in the behind-the-scenes battles. I was asked whom I would like to see in the government and in the office of Minister of Defense, and I honestly answered this question. I consider Glazyev and Rodionov to be highly professional and decent people, and this criterion today is very important. Order in the country may be ensured to a significant degree by the decency of the state leaders. If they listen to my point of view, I will be happy—that is all the lobbying there is.

[Correspondent] I was told in the president's administration that Boris Yeltsin is already being advised in confidence that, at a convenient moment, you are ready to seize power in the country, and so forth.

[Lebed] I couldn't care less about who whispers what into the president's ear about me. We had a man-to-man talk, in the course of which all the "i's" were dotted. And the president, I believe, knows that there is not a single case in my biography when I have broken my word. My ambitions have not ever exceeded the realities. And today these realities are such. After the first round of the elections, having found myself in third place, I can forget about my aspirations to this office, at least until the elections of 2000. Every ram must wear his horns—this somewhat crude formulation bears a deep-seated everyday truth.

[Correspondent] The communists say that the fate prepared for you is the same as that of Rutskoy?

[Lebed] In order not to lose human and official dignity, to not force people who believe in you to become embarrassed, a public official, which I am today, need do only the smallest thing—at the proper time, to take a sheet of paper and to write a letter of resignation...

**Russia: Duma Security Member Passes Ideas to Lebed**

*964F2747A Moscow NOVAYA GAZETA in Russian 1 Jul 96 No 24, p 3*

[Letter to Aleksandr Lebed: "'Force Structures Are Being Commercialized...': Letter From Experts in the Area of Special Services to Aleksandr Lebed"]

[FBIS Translated Text] Dear Aleksandr Ivanovich!

...To determine more accurately the positions that may also help you to gain a more in-depth understanding of the nature of today's serious problems, I invited a number of experts who for many years have dedicated themselves to the fight against crime: member of the Constitutional Court V.I. Oleynik, Dr of Juridical Sciences A.I. Gurov, senior scientific associate of a research institute of the Ministry of Internal Affairs (a laboratory for the study of problems of organized crime) V.V. Osin, Candidate of Juridical Sciences S.N. Zabarin, and my assistant V.Ya. Teplenko, in the recent past chief of one of the departments of the police in Moscow.

What, in our common opinion, must be done today so that the fight against crime will be effective?

In the first place, a national defense concept is needed. Lawmaking on security questions without a concept for security is not effective.

In the opinion of the participants in the meeting, the first step must be the establishment of a council of experts under you that could assess the professional suitability of managers of operational services and the state and effectiveness of operations elaborated and carried out by them in accordance with the law on operational investigations.

The management structure of the agencies must be simplified to the maximum extent....

At the same time, while avoiding duplication of law-enforcement structures, they should not be combined, for that may lead to total corruption. It is necessary to develop regional law-enforcement agencies accountable to the governor so that he can answer to his voters for the state of law and order in his region. This will raise the effectiveness of the fight against so-called petty crime.

The blame for today's state of the fight against crime has much to do with the situation existing within the Ministry of Internal Affairs itself.

**The bitter experience of the past is that this is a dispersion of experienced cadres....**

**The main problem is the commercialization of the force structures themselves.**

In the opinion of the participants in the meeting, until it is stopped they will steal and sell everything, even air fields.

Today practically all police are fed from private business, beginning with extortion from kiosks and ending with much more serious illegal earnings. This is the reality. **For this reason, the turnover of personnel in the police has ceased.** Young officers are already coming with exact mercenary interests and there is no mutual understanding between old and young officers. Eighty percent of new officers come to the agencies to

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get income from merchants in various ways—from extra earnings to outright banditry. As a matter of fact, the functions that the agencies are required by law to perform are being carried out only at hidden commercial rates or a percentage of returned property.

Today it is reaching the point where the law-enforcement agencies and special services often appear in the role of "covers" of commercial structures and take part in fights among themselves, clearing up titles and duties to each other in these fights.

What can be done to correct the situation?

In the opinion of V. Oleynik, it is necessary to rid the force structures of gangsters (there are now very many of them around the president and the government, not to mention the staff). It is a matter not only of treason but also of a profanation of the entire personnnel policy.

It is possible that the proposal of A. Gurov sounds romantic: "Recognize mistakes with respect to the dispersed personnel and appeal to 'pensioners' 40-45 years of age to come back, if only for two or three years, without promising them mountains of gold but at the same time giving consideration to a system of material incentives." But I myself know many people who are prepared to take this step despite a significant loss of money....

In the opinion of the participants in the meeting, one of the means of improving the atmosphere in the law-enforcement agencies and of cleaning up their ranks might be a "credit of trust"—the leasing of agency apartments, cars, etc. with subsequent preferential purchase after pensioning....

An urgent problem is still that of...eliminating useless redundancy and bureaucracy. Today 60 percent of all workers of law-enforcement agencies are involved in the writing of reports. At the same time, many officers, the OMON [Attachment of Special-Purpose Policy] for example, themselves determine their activities under the principle of advantage, ignoring street crime and all sorts of infringements of the law, the fight against which does not lead directly to personal advantage.

It is necessary to have a permanent legal control staff working around the clock **with functions of an expeditious court** that pursues all violations of the law on the part of law-enforcement agencies, thinks A. Gurov, and then it will be possible to solve the problems raised here. This body must have a special status and prestige—the Constitutional Court can be presented as an example.

The concealment of crime is again becoming a big problem. Whereas previously two-thirds of crimes remained unsolved, today it is a full 90 percent. **It is necessary to separate out statistial agencies and independent subdivisions and to strengthen control.**

Still an important problem is that of the taking of large sums abroad and the laundering of criminal money. Here, in our opinion, one should not passively wait for the Duma to pass a law on the control of foreign exchange. It is necessary to make active use of the legislation of foreign countries, which, as a rule, makes it possible to resolve this problem effectively under bilateral agreements. Here it is important to have knowledge of the specifics and to exchange information expeditiously. One cannot allow situations, in particular in Austria, in which Western colleagues wait months for us to confirm the criminal nature of tens or even hundreds of millions of dollars.

As the participants in the meeting noted, an important problem is the other side of the law-enforcement process—the protection of the process itself, a shield providing security to operatives, investigators, judges, and thereby to all of the office work....

And there is still another problem: the isolation cells of the investigation as an indicator of the realization of the constitutional rights and freedoms of citizens. What is taking place there today must be corrected immediately. The function of the procurator must be restored in the scope of its rights and obligations, in which the procurator spent days and nights in the isolation blocks to guarantee law and order. Today, if the sanitary norms do not meet the generally accepted norms, the subject must be released not only under the law but also in accordance with the concept of humaneness.

It is also necessary to establish under you or, possibly, the president a commission on administrative investigations that must protect the highest echelons of power against corruption. Today this echelon of power is practically untouchable. This commission must make reports directly to the president.... It is not a matter of the creation of still another force structure: it is necessary to establish a commission in the nature of the control directorate that Yu. Boldyrev once tried to establish.

And, finally, the enormous number of special services that have been created recently is, in the opinion of the participants in the meeting, a frightening and extremely unfavorable thing for the establishment of law and order in the society.... The strictest control of the Security Council is needed here.

Today enormous budgetary and nonbudgetary funds are being spent for the total listening and observation being carried out by numerous special services. All of this is leading to psychoses and continual searches

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for conspiracies. It is especially necessary to strictly centralize wiretapping and the use of other eletronic means, giving permission for this activity only to the FSB [Federal Security Service], leaving the others in the role of customers. In so doing, every order must be controlled by the procurator's office. In this event, significant resources will be freed that can be utilized for the fight against crime....

Respectfully,

[Signed] Yu. Shchekochikhin, member of the Security Committee of the State Duma

**Russia: Baturin on Being Ousted, Assesses Lebed**

*964F2768A Moscow MOSKOVSKIYE NOVOSTI in Russian 25-30 Jun 96 No 25, pp 2-3*

[Interview with Yuriy Baturin, former presidential assistant on national security, conducted by MOSKOVSKIYE NOVOSTI correspondent Leonid Nikitinskiy: "Yuriy Baturin Hands Over Matters and Backs Up His Successor"]

[FBIS Translated Text] **Following the news of the appointment of Aleksandr Lebed to his office, former Presidential Assistant on National Security Yuriy Baturin gave an interview to our correspondent, Leonid Nikitinskiy.**

[Correspondent] Yuriy Mikhaylovich, was the cadre reorganization which took place an unexpected occurrence for you?

[Baturin] Officially, it was an unexpected occurrence for me. But unofficially, of course, I knew about the preparation of such decisions. Otherwise, what kind of presidential assistant on national security would I be?

[Correspondent] How has your personal status changed?

[Baturin] One of the duties of Aleksandr Lebed is to serve as assistant on national security. In order for him to assume this office, it had to be vacated. And this was done. By the same edict, the president appointed me simply as an assistant. However, the circle of my responsibilities and the direction of activity have not yet been defined. When I spoke with the president, I asked him this question. He answered that he would have to think about it and take the matter under advisement.

[Correspondent] At whose initiative did this conversation take place?

[Baturin] At my own. The president telephoned me in the morning, half an hour before signing the edict, and said that my functions would change somewhat. Well, and how would they change? I asked him to see me, so that we could talk about this. He invited me to come to his office after his scheduled meetings, and we talked. I did not notice any tension on his part, and for my part there was also none. Ultimately, one must always be ready for such a turn of events. When I came to work in the Kremlin on 2 June 1993, I told Boris Nikolayevich: "When you no longer need me, tell me directly. I will gather up my briefcase and leave the office." I simply reminded him of this conversation and asked: Perhaps, the time has already come? He said: No, you will remain on the team.

The circle of my responsibilities has not yet been defined, but this does not mean that I can sit idly by and do nothing. As before, there is much work to be done. The president understands that Lebed will need some time to become fully apprised of all matters. And this will be after the elections, because there is no time for this now. He asked me to back him up during this time. Therefore, for the present time I am doing the same thing as before.

[Correspondent] Have you already met personally with Lebed?

[Baturin] I will meet with him soon, and we will discuss the order of transfer of affairs. For now, we have spoken only by telephone. I filled him in on some of the procedural specifics associated with the meetings of the Security Council.

[Correspondent] This is a delicate question, which I will allow myself to ask only now, after you are no longer the president's assistant on national security. Not only I, but many of my colleagues, get the impression that, despite the title of your former position, you were in fact removed from control over management of the power structures...

[Baturin] If you got such an impression, perhaps this is good. My work did not presuppose constant contacts with the press or publicity. It is very complex and tedious work, and many of its details are not for the general public. In two-and-a-half years, I not only established good working contacts with all the heads of the special services, but also never created any difficulties for them, specifically by that which you call control.

[Correspondent] How has the status of your former position changed in connection with the appointment of Aleksandr Lebed to it?

[Baturin] In essence, two duties are merged into one: Secretary of the Security Council and Presidential Assistant on National Security. In general, this is a logical step. It has suggested itself for a long time and, from the standpoint of ensuring state interests, I am

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happy that this happened. Even if it was at the cost of my removal.

[Correspondent] What does Lebed's promise to remove the entire complement of the Security Council from the staff mean? Does he have such powers and authorities, or is this the prerogative of the president?

[Baturin] The members of the Security Council are appointed and dismissed only by the president, who is its head. Evidently, Lebed as the secretary of the Security Council had in mind that he would remove from the staff and select anew the apparatus of the Security Council. It is quite logical that he is starting with the cadres and structure of his own apparatus.

[Correspondent] Both of Aleksandr Lebed's new duties are apparatus-related. The person who assumes them, be it Lebed or someone else, seemingly does not have his own personage. He speaks only in the name of the president...

[Baturin] This is in fact a complex question. Actually, he should be a state official, even though a very high-ranking one. But he came to this office as a public politician. How to reconcile this, I cannot say. This is most probably not a question for me.

[Correspondent] What about the fate of your apparatus? You were proud of the fact that it was hand-picked.

[Baturin] The fate of my associates concerns me more than my own fate. Formally, my apparatus is supposedly inherited by Lebed. Today he is their chief. But we agreed with the president that, for the time being, these people remain under my management. Lebed may remove 15 of my associates from the staff. Five I will retain for myself, and in regard to the rest I can give him recommendations. To take them or not—that is his business. But I will not abandon my people in any case.

[Correspondent] Does the function of the president's assistant on national security presuppose the possibility of influencing the appointment of the power ministers?

[Baturin] The possibility of influencing the appointment of any minister exists also for other assistants or advisors of the president, if and to the degree that he wishes to consult with them. If we speak of formal influence, the Statute on the Security Council has no such rules. I believe that, since Lebed intends to change the structure of the Security Council, he will submit the draft of a new statute to the president. The president reads such documents very carefully. I doubt that any mechanism could appear there which would limit the president's independence in cadre management of the power departments.

[Correspondent] Aleksandr Lebed has declared his intent to put an end to crime—in his pre-electoral program, as well as upon assuming his new position. Does he receive any direct capacities for this?

[Baturin] You are asking me this question? That is a question for Aleksandr Ivanovich. He has no direct prerogatives, but there are indirect levers.

[Correspondent] I have understood that you are ready to resign.

[Baturin] Perhaps, were it not for the pre-electoral situation, in view of that course of events which took place on the 18th, I would have resigned. I prefer not simply to be moved, like a pawn, but at least that they consult with me. But today everything personal, all emotions, must be removed. The main thing today is the second round. We will tally up the results, and then we will sort out everything else. It is doubtful that I will do anything at all, just to remain in the Kremlin. I have considerable experience and knowledge, and I would like to utilize them with maximal effectiveness. If I am offered work which is uninteresting, I can seek it elsewhere.

P. S. A day later, leaving on a planned business trip to one of the regions of Russia, Yuriy Baturin told MOSKOVSKIYE NOVOSTI by phone that his working meeting with Aleksandr Lebed had been postponed for a week. In regard to the resignations which took place that day, he said that they were an unexpected occurrence for him not so much by their content as by their form, which was largely theatrical. He noted also that "in a month-and-a-half or two, when emotions die down, we will see these events in an entirely different scope, significantly lesser, and will learn their true underpinnings."

**Russia: Dubinin-Nosko Vneshekonombank Conflict**

*964F2748A Moscow SEGODNYA in Russian 18 Jun 96 p 7*

[Article by Mikhail Petrenko: "Sergey Dubinin and Anatoliy Nosko—Who Is Guilty and What Must Be Done: the Secrets of Vneshekonombank Are Disturbing the Sleep of Many"]

[FBIS Translated Text] In an interview with KOMMERSANT-DAILY, Anatoliy Nosko, ex-chairman of Vneshekonombank [VEB], who was retired in February of this year, denied the accusations raised against him. Central Bank Chairman Sergey Dubinin declared last week operations carried out by VEB under the leadership of Mr Nosko harmed the Central Bank measured in the "tens and possibly hundreds of millions of dollars."

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In this way, the conflict between the two bankers took on an open form and beyond that the reasons for it were revealed. The chairman of the Central Bank accused Mr Nosko during a press conference that was dedicated to a very different subject—the confiscation of 5 trillion rubles from the Central Bank and measures to stabilize the financial situation. The occasion was the request of one of the journalists to comment on an article in OBSHCHAYA GAZETA (No 22). The article was dedicated to a whole series of financial deals of the Ministry of Finance and a number of commercial banks carried out by First Deputy Minister Andrey Vavilov and dubious from the point of view of budgetary interests. It must be said that most of the facts included in the article have already become known by the broad public. One of the "new" episodes involved a meeting between Mr Dubinin and Boris Fedorov, manager of the bank "Natsionalnyy Kredit," on the eve of his arrest.

Sergey Dubinin began his rather lengthy commentary precisely from this episode. Confirming the fact of negotiations with Mr Fedorov and their subject, the position of the bank "Natsionalnyy Kredit," the chairman of the Central Bank declared that he did not issue any ultimatums to his interlocutor, including in connection with the situation with respect to currency bills of Sberbank [Savings Bank] (see SEGODNYA from 16 April 1996 and 28 May 1996). By the way, Mr Dubinin reported that a check of "Natskredit" by the Central Bank does not allow one to state definitely to whom these securities belong. This clearly contradicts repeated claims of the leadership of the Savings Bank of the Russian Federation that all of the bills (totaling $126 million) are on the balance of "Natsionalnyy Kredit." It turns out that the Savings Bank continues to engage in wishful thinking, if, of course, one assumes that the Central Bank has greater possibilities for the investigation of the accounting of "Natskredit."

But let us return to the duel by correspondence of the two financiers. Sergey Dubinin did not limit himself to an explanation of his relations with Mr Fedorov. (It must be said that the managers of the Central Bank are having no luck with the Fedorovs. Viktor Gerashenko had a very obvious conflict with former Minister of Finance Boris Fedorov. The problem of Sergey Dubinin is also "called" Fedorov and also Boris. To be sure, the patronymic is different). Taking on the role of a kind of public defender of Andrey Vavilov, the head of the Central Bank commented on some of the above-mentioned operations of the Ministry of Finance, including in connection with VEB. Here it was also a matter of Mr Nosko.

Let us remember that a while back the public learned of the rather difficult relations of VEB with the Ministry of Finance and several financial institutions (above all the National Reserve Bank) friendly to the Ministry of Finance. There was a leak of documents compromising not only individual citizens and organizations but also the country as a whole. This was sufficient reason for the dismissal of Mr Nosko.

Sergey Dubinin, having reported that he demanded the resignation of Mr Nosko immediately after coming to the Central Bank (apparently Mr Dubinin became convinced of the uncleanness of Anatoliy Nosko even while he was still working in the Ministry of Finance), declared that he intended to discuss the situation with the new manager of VEB. After this, possibly, it will be necessary to turn to law-enforcement agencies.

One must agree with Anatoliy Nosko in his expression of regret in connection with the statement of the head of the Central Bank. Indeed, if Sergey Dubinin is certain of the guilt of Mr Nosko, why does he not turn to the police even now? In accordance with his position, the chairman of the Central Bank must be concerned about state interests. If Mr Dubinin does not have the necessary proof of criminal actions on the part of the former chairman of VEB and if discussions and investigations are required to get that proof, then the public accusations were somewhat premature. Considering that Sergey Dubinin is known as a person who is extremely cautious, correct, and not inclined to surges of emotion (at least not in public), one can infer the seriousness of the reasons prompting the chairman of the Central Bank to take such an action.

In his interview, Mr Nosko reported that the "financial interrelations of the Central Bank and Vneshekonombank remain unsettled not at the fault of VEB" and that a careful check may lead to conclusions opposite those reached by Sergey Dubinin.

Meanwhile, precisely Mr Dubinin heads a commission on VEB that is supposed to decide the fate of the bank and propose a candidate for the post of its manager. Judging by the perplexity that Mr Dubinin expressed with respect to the still-unconfirmed candidate for the chairmanship of VEB, the candidate has already been presented to the president. We recall that recently there has been discussion of two real pretenders to this post—Deputy Minister of Finance Mikhail Kasyanov and Aleksandr Lebedev, head of the National Reserve Bank. According to well-informed sources, an edict on the appointment of Mr Kasyanov is ready to be signed by Boris Yeltsin. By the way, in accordance with this document, Mikhail Kasyanov is retaining the post of deputy minister of finance and the VEB is becoming an organization of dual subordination—it is controlled by the Ministry of Finance and the Central Bank.

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**Russia: Zyuganov's Contradictory Statements Cited**

*964F2706A Moscow ROSSIYSKIYE VESTI in Russian 28 Jun 96 p 2*

[Article by Nikita Vaynonen under "To the Point" rubric: "Zyuganov—Author of 'Anti-Zyuging'"]

[FBIS Translated Text] The statements presented below belong to one and the same person, Gennadiy Andreyevich Zyuganov, candidate for the post of president of Russia from the National-Patriotic Bloc. There is no need for commentary on them, except perhaps for one thing: the communists tirelessly complain to their voters that people are supposedly trying to "smear" their leader. One of the most widespread reproaches on their part is that quotes from speeches of G. Zyuganov are taken out of context. For this reason, we offer to the attention of our readers only key phrases that in each case contain a completed and independent thought, the essence of which cannot be changed by any context.

**On the Market Economy**

"One must realize that there are no regulated market relations. There must be a change in the concept for the approach to reforms. It is impossible to introduce market relations in the enormous expanses of Russia" (ARGUMENTY I FAKTY, No 26, 1994).

**"The opponents of a stronger role of the state in the economy think that the market itself will regulate financial and material flows.... This is a false approach.... The state, being interested in the ultimate success of reforms, must regulate economic processes in the country and provide comprehensive assistance in the formation of the Russian economy and, consequently, national entrepreneurship" (SOVETSKAYA ROSSIYA, 28 May 1996, "Basic Positions of the Social and Economic Program of G.A. Zyuganov").**

**On Private Property and Its Expropriation**

"In the event that we come to power, we will not immediately expropriate what has been stolen from the people. If this is done immediately, there will be three Chechnyas in Moscow! I am saying this as a specialist" (GLASNOST, 15 March 1995).

**"We are in favor of the effective protection of the economy that really exists in Russia, in which there will be a place for a powerful state sector as well as for collective and private property, including property belonging to foreign investors on a legal basis," "...the worries are being pumped up intentionally. If millions of Russians became owners of private property, why must we strive to expropriate them or, to say it in Russian, raskulachit?" (SOVETSKAYA ROSSIYA, 14 May 1996).**

**On the Social and Economic System in Russia**

"For them (the democrats—N.V.), the prospects for the development of the country and for its economic and technological structure consist in following the example of the developed countries of the 'first world.' For us, this is the way to an economic, technological, and social dead end.... Even today one must begin a more detailed outline of the program "breakthrough to the future" not by catching up with development but by getting ahead of it" (PRAVDA, 18 January 1996, from the report of G. Zyuganov at the Fifth Plenum of the Central Committee of the CPRF [Communist Party of the Russian Federation]).

"Not only do I think so but the entire history of mankind in the 20th century shows that it is necessary to move forward to socialism" (SOVETSKAYA ROSSIYA, 14 May 1996).

**"Scientists and practical persons are convinced that the coming century will be the beginning of the era of a postindustrial society...." "We will do everything we can so that in the 21st century the country will join the world community as an industrial country and then as a postindustrial power...." ("Basic Positions of the Social and Economic Program of G.A. Zyuganov").**

**On the 'Historical Role' of the CPRF**

"Russia is experiencing...a crisis and only that political force that is able to unite people on a broad platform will be able to lead it out of that crisis.... I think that through its action the Communist Party of the Russian Federation has earned the political and moral right to put forward a candidate for president from amony its own ranks" (PRAVDA, 18 January 1996, from the report of G. Zyuganov to the Fifth Plenum of the Central Committee of the CPRF).

"Only the victory of a single candidate of national-democratic forces...will create the necessary conditions to get the country out of the crisis..." (PRAVDA, 22 February 1996, from a decree of the Fourth All-Russian Conference of the CPRF).

"Only communists and true patriots will be able to normalize the society" (ibid., from a report by V. Kuptsov).

**"It is obvious that none of the problems facing the country can be resolved by a single political leader or by a single political party or movement. Only all of us together can do this" (SOVETSKAYA ROSSIYA, 25 June 1996, form the "Pact on National Accord" proposed by G. Zyuganov.**

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In conclusion, we will include a self-critical passage, extremely rare in the communist press, that slipped into SOVETSKAYA ROSSIYA on 25 January of this year in the material under the rubric "Why I Left the Russian Communist Workers Party." A party comrade who separated himself from the extreme leftists cites the words of the "former dissident" Aleksandr Zinovyev, who, while welcoming the victory of the communists in the elections (in December of last year—N.V.), noted that "on the part of the opposition the destructive intellect of the West is opposed only by unrestrained empty words, which are loaded with specific facts but almost completely devoid of any real comprehension of them." It is obvious that besides a lack of principles in his tactics this is one of the reasons for the lurches of G. Zyuganov.

**Russia: Duma Deputy Makashov Past, Views Assessed**

*964F2715A Moscow SOBESEDNIK in Russian Jun 96 No 23, pp 5-6*

[Article by Vladimir Voronov: "General Makashov: 'The State Will Decide Who Goes to the Cement Mixer, Who to the Lumber Camp!' What Our 'Chances' are After a Communist Victory"]

[FBIS Translated Text] **CAREER**

Our info note: Makashov, Albert Mikhaylovich, Lieutenant-General, retired. Born 12 June 1938 in Voronezh Oblast. Graduated from Suvorov and military command schools and from the Frunze and General Staff Military Academies. Last position in the USSR Armed Forces: Commander-in-Chief of the Volga-Urals Military District. In 1991 participated in the formation of the RSFSR Communist Party. Supported the GKChP [Aug 91 State Emergency Committee], for which he was dismissed from the army. Organized the 3 Oct 93 assault on the [Moscow] City Hall and Ostankino [TV studios], pardoned by the Duma in February 1994. In December 1995 elected to the State Duma from the Samara District.

It is really strange: as soon as General Makashov appears on the political horizon something unpleasant has to occur. Like the "Flying Dutchman" and Ghost of Communism, he has invariably surfaced wherever it smelled of a coup or bloodshed.

Currently the veteran of the coup movement no longer engages in open saber rattling, he wears a civilian MP suit and is a member of the Zyuganov entourage. The entourage that makes the king (sorry: the secretary-general, or whatever they call that position there).

**Chief Critic**

The general's name first hit the headlines in the summer of 1990, when the commander-in-chief of the Volga-Urals Military District publicly pounced on his Supreme Commander, Mikhail Gorbachev, at the USSR Congress of People's Deputies. It was then that the generals openly declared their claims to power. And unequivocally proposed a new course: full speed in reverse. Incidentally, indignant that the head of state had not deigned to serve in the army, Makashov proposed to urgently rectify that youthful error and recommended that Gorbachev take a conscript training course. (Two years later, during our interview at the dacha, the already retired general continued to seethe:

"You can't call yourself a commander-in-chief and not have the slightest idea about army service! Not one of our rulers has served in the Soviet army! That is the same as me now offering advice in gynecology!")

Although he never participated in wars or campaigns—he wasn't even in Afghanistan—he did acquire some experience—in a punitive capacity. In 1988, when he was first deputy commander of the Transcaucasus Military District, it was he who organized the massacre in Yerevan's Zvarnots Airport (not on his own initiative, of course, but on orders). The overzealous "pacifier" was dispatched away from the "hot point." With a promotion—to command a rear-area district. And he was promoted in rank to colonel-general. So the Tbilisi pacifier, General Igor Rodionov, had a predecessor.

In 1991 Makashov "decided" to become president of Russia.

"The experience of other states indicates that generals in power are not the worst variant. Recall Eisenhower, De Gaulle, and even Pinochet..."

Indeed, how is Makashov any worse than, say, Pilsudski? Besides, Albert Mikhaylovich never concealed his favorable view of Pinochet's methods:

"Pinochet herded not only communists into stadiums, but also prostitutes, thieves, drug addicts, bandits..."

It is worth reminding the connoisseur of history, whom Albert Mikhaylovich claims to be, that it was, after all, mainly communists. And it is hard to comprehend how his love of communism can go together with love of Pinochet. However, the basic idea is clear as daylight: All power to the generals, generals of the world, unite!

"The military are least linked with corruption or involved in any swindles. We don't get drunk, we don't get thrown off a bridge, we don't steal. All we can be is a target of jokes..." (Regarding the corruption claim, this

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is easily verifiable in the neighborhood of Samara's No. 7 Lane, which is the dacha "beachhead" of Makashov himself.)

In his 91 television appeals the presidential candidate made no secret that he would govern Pinochet-style. He also promised to do something bad to someone, either in Red Square or at Lobnoye Mesto [historical beheading platform]. And he would have, as the August events showed. On August 19, 1991, Colonel-General Makashov, C-in-C of the Volga-Urals Military District, did not have to be coaxed into taking part in that, in his own words, adventure. He continually bombarded the General Staff and Marshal Yazov with telegrams demanding action. Arrest people, shoot, crush them with tanks, capture the TV studios: all of this could be unequivocally discerned through the lines of the unbureaucratically colorful and energetic documents.

Nor were matters limited to recommendations: On Makashov's orders armored personnel carriers and combat vehicles moved into the streets of Samara. This author personally witnessed armored vehicles rumbling through the streets. The military occupied the oblast TV center, occupied the then only independent TV studio, SKAT, and took over the oblast publishing complex. The glasnost problem was resolved. An order by Makashov resolutely calling for the immediate arrest of "cosmopolitans and traitors of the Motherland" was issued to the troops. The soldiers in the barracks were issued live ammunition...

I recall a friend of mine who was serving in the district army band telling me how that day, August 19, began in his barracks. The officers disconnected all radio receivers and television sets and gleefully removed the picture of Gorbachev. The band was given the command to fall in and the men were told that a state of emergency had been declared in the country and henceforth they were no longer musicians but a burying detail. The musicians were issued automatic rifles and live ammunition. To the question, who were they to bury? the response was: Those we shoot!

True, Makashov had no time to start shooting: it all ended too quickly in Moscow.

**Chief General**

Albert Makashov was not brought to trial. But he was, of course, kicked out of the army. At the time he remained quite unrepentant: "I was carrying out orders of the soviet government, and the GKChP was the soviet government." And in general, "there was no need to destroy our old system. It should have been disassembled, cleaned and oiled, and it would have worked. All our machine needed was a tune-up, in some places with abrasives, like Andropov." It seems that for the general there is no difference between the mechanism of society and the mechanism of an automatic rifle.

A year after the August coup he was simply livid with rage and the realization that his military career was over:

"I know that I was dismissed by collusion of Gorbachev, Yeltsin, Bush and the Pope, with his prompting and guidance! But if they thought they'd get rid of me, they're mistaken."

I don't know what the Pope actually thought, but yes, he was mistaken. The retired general was not buried in the routine of his retirement. More, Albert Mikhaylovich considered it below his dignity to simply wait "buried in the sand": On October 3, 1993, he captured City Hall and went on from there—was Ostankino any better than the Samara television he had once conquered? Yet it was he who in 1992 repented and swore to God: "God forbid a civil war. We have the law..." The law is the law, but a TV center is a TV center. We all remember the chronicle of those days, we remember the general in a bullet-proof vest, automatic rifle in hands, we remember how he led the fighters, how he gave the Ostankino defenders three minutes to surrender their arms, how he swore profanely what he would do with the genitals of those who refused to surrender... What a brilliant career seemed to be launching for Makashov when he was appointed deputy of the White House "minister of defense"! Moreover, the "deputy minister" managed to gain the upper hand not only over the "minister" Achalov himself, but even over "president" Rutskoy. In the corridors of the White House people passed on Makashov's words: "Me, a colonel-general, to obey some colonel?"

On the whole, however, the general ingloriously lost his first "real" war.

**Chief Janitor**

Then came Lefortovo [prison] and the Duma amnesty. Amnesty means not acquittal, but pardon. Provided you confess your guilt. If you confess it means repenting for innocent blood shed in vain? Not on your life: communist parleys followed in rapid succession. Thanks to which in December 1995 he obtained the cherished Duma seat. Has the face of the veteran of all the rebellions and coups of the last few years changed a lot? And what should we expect of him if, against all expectations, he and his comrades attain their objective? This was what crossed my mind as I entered our "hero's" Duma office.

"Russia is not today's runt. Russia is from Brest to the Kuriles, from Murmansk to Kushka."

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True, the general preferred to say nothing about the methods of getting Kushka back. And I so wanted to gain an idea of the "bright tomorrow," Makashov-style.

"You don't need that. Or the readers of your SOBESEDNIK either..."

And in general: "You won't get what you want out of me."

Though as he launched into his favorite army topic, Makashov opened up a bit: "President Yeltsin's decrees are finishing off the remnants of the glorious soviet army, of which there never was nor is any better in the world. Who needs some kind of voluntary, hired army?"

Everyone to arms? What about those who don't want to?

"Alternative service should not be easier than military service. If you don't want to be with an automatic rifle, you'll be at a cement mixer. The state will decide who is at a cement mixer, who is in a lumber camp or wherever."

And in general, the communist deputy declared: "We've no need for Baptists, still less for renegades and traitors."

Meanwhile Albert Mikhaylovich is personally working on a law:

"Anyone who has not served in Russia's armed forces cannot occupy any government position, neither civil servant, nor elective, still less presidential."

The idea was that "measures would be taken regarding them." And not only them, but also those owning "unearned private property."

"Believe me, as soon as people's power comes the procurator's office, which has all these data, will also go to work. This doesn't mean that everyone will face the firing squad..."

Can you believe that? Not everyone, but every other?... Whew! What a relief! Because the general has rather weird economic views. For instance, expanding on the classics he introduces a new concept: "Labor private property." What kind of animal is that? Albert Mikhaylovich explains this very simply, literally with his fingers:

"Here you are, in a denim suit: you have earned it. And all of this is private property, so I would correct the classical literature and the classics a little..."

So they'll leave me the suit? What about the rest? Could it claim the high title of "labor private property"?

"I sympathize with the person who will be shovelling that filth from the Kremlin, from the country. I feel sorry for him..."

Probably, I thought out loud, only Dzerzhinskiy could have managed this, or..., but I was interrupted:

"Please don't, don't scare people with Dzerzhinskiy. Incidentally, Dzerzhinskiy put an end to child vagrancy in Russia, when Russia was from Brest to the Kuriles..."

"And from Murmansk to Kushka," I continued mentally.

Albert Mikhaylovich tries to sidestep questions of ministerial ambitions, saying neither yes nor no:

"If I was thinking of my own career instead of the state I would surely remain in this democratic system and would probably not be bringing up the rear... As for my ministerial chair, I would like to be faster (?!—no matter how many times I rerun the tape that is how it sounds.—V.V.) and could perform any job—janitor, to sweep all the trash out of the Kremlin and the state faster...

"I am not an astrologer and I don't say that the left-patriotic forces will necessarily win on the 16th. If they don't win the 16th, they'll win a year later. That is for sure, it is not a prediction, but an assertion. Incidentally, Minin and Pozharskiy's militia took Moscow and the Kremlin only on the third try... As for those who betrayed the motherland, those who fired at their people: they will be charged not by Makashov, not by Ivanov, not by Sidorov, they will be charged by justice..."

Although the general has no intention of telling the readers of SOBESEDNIK and other bourgeois how... But then, what for? It's quite apparent.

At the end of the interview the general grew even sterner:

"The news rags sniping today at Makashov, sniping at the Duma, they are acting against the people. This can cause a response reaction!"

P.S. I walked out of the office and remembered that I had forgotten to have my pass stamped. I went back and saw the following scene. Dmitriy Timofeyevich Yazov, former USSR Minister of Defense in full uniform of Marshal of the Soviet Union, was timidly knocking on the door of Mashkov's office: "Albert Mikhaylovich, may I come in?" Good God, the vultures were flocking to this goblins' preserve. And for all that our persona took the Lord's name in vain, there is something of the Devil in him! May God help us!

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**Russia: Alleged Election Law Breaches Described**

*964F2624A Moscow SOVETSKAYA ROSSIYA n Russian 22 Jun 96 p 3*

[Article by Ivan Bondarev, academician, doctor of historical and economic sciences, professor, settlement of RAOS, Ramenskiy Rayon, Moscow Oblast, under rubric "An Observer's Notes," on "Motivated Letters" page: "How They Voted, and How They Counted"]

[FBIS Translated Text] I happened to carry out the functions of observer at electoral precinct No. 2372, Ramenskiy Rayon, Moscow Oblast, and I became a witness to numerous violations of the election law and the principles in the "Instructional Guide" that I was given on the day before the voting.

There were many deviations from the law. Some of them were repeated many times, despite comments made by the observer from the KPRF [RF Communist Party]. For example, many voters were issued ballots without their having submitted documents attesting to their identity. The chairman of the electoral committee gave instructions to find the official record from previous years and to write down the passport data in conformity with the entries made last year!

The comments I made received just one response: we are local residents, and we know everyone by face. But, first of all, it is doubtful that all the commission members knew all the residents of the four neighboring villages that made up the single electoral precinct. Secondly, with this system, the people taking part in the voting could also include... those who long ago crossed over into the other world! After all, the document certifies not only the identity of the person who has shown up at the electoral precinct, but also his desire to exercise his franchise.

Another violation of the law, and the most widespread one, was, to put it mildly, the free handling of the ballots. Citizen Bubentsova and a number of other voters each were handed simultaneously two or three ballots. The observer did not always manage to prevent them from putting them in the ballot box, for purely technical reasons. With regard to this situation I had an unpleasant conversation with the chairman of the electoral commission, which ended with... a threat to remove me from the electoral precinct if I continued to "interfere in the commission's affairs." But that did not intimidate me. Subsequently, with regard to this matter, I made several comments to the chairman of the electoral commission. At my insistence he took away from the voters the ballots that they had received illegally, and returned them to the commission without making the appropriate notations in the record.

The chairman, instead of taking the proper steps, sometimes attempted to defend persons who were voting for their friends and relatives. Here is a typical situation. A man received two ballots and went into the voting booth. A woman with a ballot in her hand went into the next booth. I pointed out that situation to the chairman. He began trying to convince me that the man had received ballots for himself and for his wife, who had gone into the next booth. I did not agree. Upon verification, I proved to be right. One ballot was taken away from the man.

Here is another typical situation. A woman showed up and stated that she would vote if an observer was present. Someone pointed a finger at me. I could not immediately figure out why she wanted to know who the observer was. I understood when she was dropping the ballot into the ballot box, but, as the expression goes, the "train" had already left.

And yet another example. A certain woman (her name was not established) in the morning began giving "assistance" to everyone who went into the farthest booth. I made a comment to her. The commission members ganged up against me. There was a public row. The secretary of the electoral commission (a woman) crudely indicated to me the place where I was supposed to sit and refrain from interfering in the affairs of the electoral commission.

The collecting of the votes causes surprise. By the beginning of the voting, the commission did not have any written applications or a list of residents who had wanted to vote at home. In the race to increase the percentages, at 1400 hours two commission members took a portable ballot box, got into a bus, and drove off to the settlement of Vertyachevo. One of them performed the role of guide — he would point out which houses the bus should stop at, and which ones the bus should drive past. During the visit an application in the form of a "summons" would be formalized, and the voting, which definitely was not always secret, would be carried out.

The members of the electoral commission should have prepared ahead of time for the voting at home. Having failed to do that, the commission members took with them the overall voting record, telling the other voters that they would have to wait until the bus returned from its trip...

Substantial violations were also made during the tallying of the votes. In particular, prior to the closing of the electoral precinct, when definitely not all the members of the electoral commission and the observers were in the voting hall, someone invalidated the unused ballots and tied them into a package.

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In order to observe the voting process, representatives of KPRF, the Agrarian Party, and the rayon administration were sent to the precinct. Not all of them executed their functions conscientiously. The administration agent arrived at the precinct in the morning ahead of many of the others. But as soon as the voting began, he disappeared and did not show up again until the afternoon, when most of the population had already voted.

In principle his behavior is explainable. The commission had been formed by the local agencies of authority according to the principle that has been well known since the days of the disintegration of the clan commune. Its work style was well known to him. On the other hand, during the tallying of the votes he demonstrated actions that were not given to him by the law. Actually he became the chief "bookkeeper": he made little piles of votes, counted them, divided and multiplied them, trying to ascertain why in some places there did not seem to be enough...

There were also violations of another order. The ballots from the portable ballot box and the stationary one were dumped into a single heap, without a preliminary count, onto tables that were not freed of other papers. The documents that were pushed to one side quickly merged into the single mass of ballots. I made a comment promptly about this, but the commission members kept doing things their way. And once the secretary of the electoral commission even admonished me, saying, "You're not supposed to teach us anything. We have been working in the commission for 15 years, and we know what has to be done, and how to do it."

Yes, no matter how much the authority has changed, the obliging officials remain "afloat." They did everything in their own customary way, to the benefit of the powers that be.

I have previously mentioned that ballots were confiscated if they had been received on the basis of documents for neighbors, relatives, and, possibly, even people who are deceased. But in the final analysis the number of ballots in the ballot box proved to be just as many as had been given out according to the list. Verily I say unto you that there are still magicians in Moscow Oblast!

Thanks to this system of voting and the semilegal counting of votes, in this precinct B. Yeltsin garnered more than 50 percent of the votes. General A. Lebed took second place. G. Zyuganov received exactly one vote less. Practically nothing remained for the other presidential contenders.

After finishing their work, the commission members filled in the columns of the previously prepared forms and certified the data with a seal. In accordance with Article 14 of Chapter II of Federal Law "Election of the President of the Russian Federation," I asked to be provided with the third copy for submittal to agencies of the KPRF. The chairman of the electoral commission refused to honor my legal request. He promised to furnish that copy to me the following day, after the verification of documents by the superior agencies. I refused to accept a "corrected" document.

I drew up an official document concerning the violation of laws at electoral precinct No. 2372. I submitted it to the chairman of the electoral commission, and asked him to read it and sign it. He had the right, at the end of the document, to state in written form his disagreement with my comments, or the extent to which my actions could be placed in doubt. But he did not do that either.

The document was read by administration representative Aleksandr Viktorovich and Agrarian Party representative Aleksey Vasilyevich. There wee no objections on their part, if one disregards Aleksandr Viktorovich's assertions that he had not participated in the arranging of the ballots into piles, and had only helped the commission in tallying the votes. In that respect he was right. But everyone knows that the main thing is not how people voted, but how the votes were tallied.

The observer's mission is a thankless one, especially under conditions of the constant violation of the laws. He has to execute the functions of a policeman by preventing any extra ballots from being dropped into the ballot box, which is definitely not always possible. He has to contend with the unethical behavior of the members of the electoral commission, and has to withstand personal insults. Electoral commission chairman L. F. Chupakhin, speaking on behalf of the collective, expressed his sense of being insulted not only with regard to the detection of "shortcomings." He was also insulted by the fact that he had not sat down to dinner with them. He had gone home knowing that more than a two-course dinner was being prepared. Obviously, certain people were unable to resist the comestibles that dispose one toward cooperation, and is it not for that reason that the votings throughout Russia are proceeding so "smoothly"?

P.S. I did not want to write this article. My garden plot is in a state of neglect. I was persuaded to do this by my dacha neighbor, ordinary worker V. F. Mordvintsev. After listening to my explanations, he asked, "What comparison is there between your garden and what you will write?"

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**Russia: Law on Promulgation of Criminal Code**

*964F2603A Moscow ROSSIYSKAYA GAZETA in Russian 18 Jun 96 p 4*

[Text of Federal Law "On Promulgation of the Criminal Code of the Russian Federation"]

[FBIS Translated Text] Adopted by the State Duma on 24 May 1996, approved by the Council of the Federation on 5 June 1996.

Article 1. The Criminal Code of the Russian Federation is to be promulgated as of 1 January 1997, with the exception of provisions for which the present Federal Law establishes other promulgation times.

Article 2. The Criminal Code of the RSFSR, ratified by the 27 October 1960 Law of the RSFSR "On Ratification of the Criminal Code of the RSFSR," as well as all laws making changes in or additions to the Criminal Code of the RSFSR in the period from 27 October 1960 to 1 January 1997, are declared no longer in force as of 1 January 1997.

Other laws and normative enactments in effect in the Russian Federation are subject to being brought into line with the Criminal Code of the Russian Federation.

Until they are brought into line with the Criminal Code of the Russian Federation the indicated laws and other normative legal enactments are applied to the extent that they do not conflict with the Criminal Code of the Russian Federation.

Article 3. In connection with the fact that under Article 10 of the Criminal Code of the Russian Federation the law, which not only eliminates the criminal character of actions and reduces punishment but also in other ways improves the position of a person who has committed a crime, has retroactive force, court sentences and other enactments delivered before 1 January 1997 which apply other criminal-corrective measures will be reviewed in order to bring them into line with the Criminal Code of the Russian Federation. The review of court sentences and other judicial enactments is done by the judge of the court that delivered the verdict or the court located at the place where the convict is serving his sentence.

All criminal cases that have been started for actions that are not recognized as crimes in conformity with the Criminal Code of the Russian Federation are subject to dismissal.

Article 4. The provisions of the present Code on punishment in the form of compulsory work and arrest are promulgated by federal law after the Criminal Code of the Russian Federation goes into force as the necessary conditions are created to carry out these forms of punishment, but not later than 2001.

Article 5. Persons sentenced to punishment in the form of discharge from position of employment (point 5 of Article 21 of the Criminal Code of the RSFSR), imposition of the obligation to make restitution for damage caused (point 6 of Article 21 of the Criminal Code of the RSFSR), and public censure (point 7 of Article 21 of the Criminal Code of the RSFSR) are exempted from completion of the sentence and their criminal record is expunged.

Article 6. For persons sentenced to punishment in the form of corrective labor without deprivation of freedom with performance of the punishment at other than the convict's place of work (Article 27 of the Criminal Code of the RSFSR), the ordered punishment is replaced with a fine in an amount that is subject to withholding for state income. Amounts paid in at the moment of promulgation of the Criminal Code of the Russian Federation are subject to set-off. The fine ordered in this case cannot exceed the maximum fine envisioned by the corresponding article of the Criminal Code of the Russian Federation.

Article 7. Persons declared to be especially dangerous recidivists, under Article 24 of the Criminal Code of the RSFSR, perform their punishment in the form of incarceration in strict corrective-labor colonies.

President of the Russian Federation B. Yeltsin

Moscow, Kremlin 13 June 1996 No 64-F3

**Russia: Experts Assess Pros, Cons of Criminal Code**

*964F2649A Moscow NEZAVISIMAYA GAZETA in Russian 18 Jun 96 p 6*

[Article by Konstantin Katanyan under "Legislation" rubric: "Four Categories of Crimes: Boris Yeltsin Signed the New Criminal Code"]

[FBIS Translated Text] On 24 May 1996, the State Duma passed the Criminal Code of the Russian Federation and the Federal Law "On Putting Into Effect the Criminal Code of the Russian Federation. These normative legal acts were approved by the Federation Council on 5 June. The new Criminal Code will go into effect on 1 January 1997.

As Vladimir Platonov, chairman of the committee of the Federation Council on constitional legislation and legal questions, declared in a conversation with a NEZAVISIMAYA GAZETA observer, it is no accident that the parliament postponed for half a year the putting of the new Criminal Code into effect. During this time jurists will be able to study carefully the innovations there so that they can subsequently apply them in practice. In addition, Platonov noted, "in this half year

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it will definitely be necessary to make some changes in the Code of Criminal Procedure, because it regulates the process of investigation of crimes and the judicial inquiry and examination of cases in courts of the first and second instance." And the legislators can make use of this pause to correct those rough areas that will certainly be discovered in the new law.

After the work was completed, experts ascertained a significant improvement of the Criminal Code, especially with respect to the resolution of the questions of liability for crimes in the area of economic activity, attempts against the lives of colleagues in law-enforcement agencies, terrorism, and several other areas. It was also noted that the Criminal Code brings the criminal legislation of Russia into conformity with generally recognized international norms and the positions of the constitution and at the same time develops the traditions of domestic criminology and jurisprudence.

The new Criminal Code of the Russian Federation is comprised of general and special parts combining 12 sections, 34 chapters, and 360 articles. The code includes previously absent chapters on the liability for crimes against the constitutional rights and freedoms of the individual and citizen, family, and minors and for computer and other crimes. In consideration of the changes that have taken place in the area of the economy and administration, particular attention is paid to the settlement of the liability for economic crimes and also for crimes against property, the interests of the state service, and service in nonstate enterprises, institutions, and organizations.

All crimes are subdivided into four categories in accordance with the nature and degree of public danger: crimes of minor gravity, crimes of medium gravity, serious crimes, and especially serious crimes. In the opinion of the developers, the introduction of categories is the basis for the differentiation of criminal liability. There are certain criminal-legal consequences related with this: determination of a repeat crime, liability for the preparation of a crime, designation of punishment and release from criminal liability, criminal record, and the like.

A great deal of attention is paid to organized forms of crime. It introduces the concept of a group of persons for a preliminary agreement, an organized group, and a criminal association (criminal organization). Participation in one form or another of group criminal activity is considered as a qualifying criterion in several articles of the special part of the Criminal Code. But the liability for the organization of a criminal association (criminal organization) foreseen by Article 210 applys only in the event that this organization was established for the commission of serious and especially serious crimes.

At the same time, the Criminal Code significantly expanded the number of circumstances excluding the criminal nature of an act: in harm caused while arresting a person who committed a crime, in a justifiable risk, in the execution of an order or directive, in cases of physical or mental coercion.

Considering the criminological factors of crimes among minors and the results of studies of age psychology, the Criminal Code introduces a category of age responsibility stipulating that if a minor has reached the age from which he is subject to criminal liability but as a result of retarded mental development was unable to understanding the nature and significance of his actions or to manage them, then he is not subject to criminal liability.

Substantial changes were made in the section on punishment. Public reprimand and caused harm have been excluded from the list of punishments. At the same time, new forms of the basic punishments have been established: compulsory work, restriction in military service, arrest, and life imprisonment.

Under the new Criminal Code, imprisonment is specified for a period from six months to 20 years (previously it was three months to 15 years). In the event of the partial or complete addition of the terms of imprisonment or the designation of punishment for a combination of crimes, the maximum term cannot exceed 25 years or more than 30 years for a combination of sentences.

The use of the death penalty is also preserved as a form of punishment. In connection with Russia's joining the European Council, as you know, the president of Russia recommended to the chambers of parliament that they discuss the question of reducing the elements of a crime for the commission of which the death penalty may be applied. The parliamentarians heeded this recommendation and reduced the application of the death penalty significantly in comparison with what is in effect under the new Criminal Code (from 28 to 5 crimes). The new Criminal Code provides for the application of the death penalty as an exceptional measure of punishment only for especially serious crimes against life, which is in accordance with the requirements of the Russian Constitution. In addition, by a court decision the death penalty can be commuted to life imprisonment in each specific case.

By the way, such a practice of punishment for the most serious crimes is by no means the severest or most exceptional. As of today the death penalty has been abolished in only 37 countries of the world, whereas in 98 countries it is still applied, including in most of the

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states of the United States. Of the 38 countries that are members of the European Council, 12 states, including Great Britain, have retained the death penalty despite the recommendations.

The new Criminal Code increases responsibility for the causing of harm to health, terrorism, extortion, the taking of hostages, kidnapping, and the most dangerous infringements of property. A liability is specified for the realization of illegal business, false enterprise, the receiving of loans through deceit, malicious and fictitious bankruptcy, and other socially dangerous acts in this area.

In connection with the fact that in accordance with Article 10 of the Criminal Code of the Russian Federation a law that not only removes the criminal nature of an act or mitigates punishment but also otherwise improves the position of a person who has committed a crime is retroactive, any court decisions and other acts on the application of other measures of a penal-legal nature made before 1 January 1997 are subject to review for the purpose of bringing them into conformity with the Criminal Code of the Russian Federation. Also subject to suspension are all criminal cases initiated on acts not considered crimes in accordance with the new Criminal Code.

At the same time, as experts note, the new Criminal Code does have a number of shortcomings. Incorrect, in their view, is the classification of crimes of negligence as serious crimes. The inclusion of crimes of negligence in the category of serious crimes contradicts the established judicial practice of many years and objectively cannot help to reform persons who have committed such acts.

The new Criminal Code discarded the system of norms on the especially dangerous recidivist. When the new Criminal Code goes into effect, therefore, this decision will essentially be an amnesty for a significant number of persons who previously and, as a rule, repeatedly committed serious crimes and who in their overwhelming majority do not want to take the path of correction. To be sure, according to Platonov, in reality only 600-800 criminals will be released who have almost completely served their terms of imprisonment and for another 1,500 recidivists the time of their stay "at not so remote places" will be reduced somewhat.

The experts are also unhappy with the fact that the Criminal Code practically eliminates the institute of expunging the criminal record of persons who were sentenced to more than 10 years for serious crimes. Only the automatic expunging of the criminal record of persons committing serious and especially serious crimes is foreseen at the end of six or eight years, respectively, after the sentence has been served. Under the legislation now in effect, the criminal record of the indicated persons cannot be expunged automatically. It can be expunged only by special decision of a court if these persons do not commit a new crime within eight years after the day they finish serving their sentence and if the court thereby finds that the convicted person has been reformed and that there is no need to consider him as a person with a criminal record. The experts think that the renunciation of the institute of expunging criminal records cannot serve the cause of strengthening the fight against serious crimes.

It appears unjustified to exclude from the Criminal Code the position that persons who have served a time of punishment in a disciplinary battalion or been released from it early and also service personnel who have served time in the guardhouse instead of doing corrective work are considered to be without a criminal record. Such a position is found in the Criminal Code of the RSFSR now in effect and, as military jurists think, it has enormous preventive and educational significance.

It is hardly justified to apply to minors (from 14 to 18 years of age) such forms of punishment as the "deprivation of the right to engage in a particular activity." The absence in the Criminal Code of such a qualifying criterion as the "commission of crimes as a profession" does not help in the fight against professional crime.

Many legal experts also do not like the wording of Article 205 that provides for responsibility for terrorism. It mixes actual terrorist actions with the threat of their commission. As a result, the threat of the commission of terrorist actions is punished in accordance with the first part of the specified article by imprisonment of five to 10 years, whereas in the second part the punishment is eight to 15 years imprisonment. In other words, it is assessed as a serious crime in the first part and as an especially serious crime in the second part.

Meanwhile, the "threat" cannot be put in the same class as the commission of an explosion, arson, or other actions. This is an independent crime of medium gravity and it should be set forth separately.

In comparison with the Criminal Code now in effect, the sanctions of many articles of the code providing for liability for crimes against military service have been reduced without sufficient reason, in particular for such dangerous crimes as: opposition to the superior or forcing him to violate military service obligations, violent actions in regard to the superior, and the violation of regulations for interaction between service personnel in the absence of relations of subordination between them.

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In addition, the experts do not understand the logic of the authors of the Criminal Code, who provided for additional punishment for civilian drivers in the form of the "loss of the right to drive a transport vehicle," whereas for the military driver they provided for the "loss of the right to hold particular positions or to engage in a particular activity."

A disproportion of sanctions is also noted for other military crimes. In particular, a less severe punishment in the form of arrest is provided for a more dangerous crime, the intentional destruction and damaging of military property, than for the loss of military property or for the destruction or damaging of military property through negligence.

The code does not resolve the fate of a whole series of amendments to the Criminal Code of the RSFSR now in effect have have already been adopted by the State Duma (for example, changes and addenda to the Criminal Code of the RSFSR having to do with the federal laws "On the State Border of the Russian Federation," "On the Continental Shelf of the Russian Federation," and several others). The norms included in the new Criminal Code do not fully define the responsibility for acts that the above-indicated laws specify.

The shortcomings enumerated above and several others and the omissions of the Criminal Code indicate that in the future it will be necessary to make substantial changes and additions to the code. But the main thing, as Vladimir Platonov notes, is that the new Criminal Code "considered all of the signficant changes that have taken place in our lives in the 30 years since the day of the adoption of the Criminal Code of the RSFSR now in effect. The new code is more harmonious, it is closer to the situation that has developed in politics and economics, it no longer has any "rubber" articles on sabotage, for example, under which practically anyone can be brought to account, and there are no "dead" articles such as the article on currency operations that is in effect but not enforced. All of the articles in the new Criminal Code "work" and all of them are dictated by the necessities of life.

In short, in addition to one remarkable document in which citizens are given detailed recommendations on how to live and what to do (that is, the new Civil Code of the Russian Federation), Russia will finally have another document where it is stated what must not be done. And we will just have to follow the precepts of Ostap Bender and respect the Criminal Code whether we like it or not.

**Russia: Law on Changes to Acts on Holding Suspects**

*964F2614A Moscow ROSSIYSKAYA GAZETA in Russian 20 Jun 96 p 4*

[Law: "Russian Federation Federal Law 'Making of Amendments and Additions to the Legislative Acts of the Russian Federation as a Result of the Enactment of Federal Law "Maintenance Under Guard of Persons Suspected or Accused of Committing Crimes,"' adopted by the State Duma on 17 May 1996"]

[FBIS Translated Text] **Article 1.** Make the following amendments and additions to the RSFSR Criminal-Proceeding Code (VEDOMOSTI VERKHOVNOGO SOVETA RSFSR, 1960, No. 40, Item 592; 1963, No. 36, Item 661; 1970, No. 22, Item 442;1972, No 26, Item 663; 1973, No. 16, Item 353; 1974, No 29, Item 782; 1977, No. 1, Item 2; No. 12, Item 257; 1983, No. 32, Item 1153; VEDOMOSTI SYEZDA NARODNYKH DEPUTATOV ROSSIYSKOY FEDERATSII I VERKHNOVNOGO SOVETA ROSSIYSKOY FEDERATSII, 1992,No. 25, Item 1389; 1993, No. 22, Item 789; No. 32, Item 1231; SOBRANIYE ZAKONODATELSTVA ROSSIYSKOY FEDERATSII, 1994, No 10, Item 1109; 1995, No. 51, Item 4973):

1.In Article 11:

— add to the article a new Part 3 and Part 4 with the following content:

"The chief of the place of maintenance under guard is required, no later than 24 hours before the expiration of the period of maintenance under guard of a person who is suspected or accused [of committing a crime], to give notification of that fact to the agency or individual that is handling the criminal case, as well as the procurator.

"If, after the expiration of the legally established period of detention or confinement under guard as a preventive measure, the appropriate decision to select a preventive measure in the form of confinement under guard, to release the suspected or accused individual, or to extend the period of maintaining him under guard as a preventive measure, or a report concerning that decision, has not been received, the chief of the place of maintenance under guard releases him by his own decree.";

— Part 3 is considered to be Part 5.

2. In Article 46:

— add to the article a new Part 4 and Part 5 with the following content:

"An accused who is being maintained under guard as a preventive measure has the right to have meetings

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with his defender, parents, and other individuals, and to maintain correspondence with them.

"The procedure and conditions for granting meetings to the accused and for allowing him to carry out correspondence are defined by Federal Law "Maintenance Under Guard of Persons Suspected or Accused of Committing Crimes.";

— Part 4 is considered to be Part 6.

3. Part 4 of Article 47 is to be reworded, as follows:

"The following are authorized as defenders: a lawyer, upon presentation by him of a legal consultation writ; representative of a trade union or other public association, who is a defender, upon presentation by him of the appropriate deposition, as well as a document that certifies to his identity."

4. Add to Article 52 Parts 3 and 4 with the following content:

"From the moment of detention, a suspect has the right to have meetings with his defender, parents, and other individuals.

"The procedure and conditions for granting meetings to the suspect and allowing him carry out correspondence are defined by Federal Law "Maintenance Under Guard of Persons Suspected or Accused of Committing Crimes.".

5. Add to Article 96 Part 6 with the following content:

"The individual or agency handling the criminal case is required to inform immediately one of the close relatives of the suspect or accused concerning the place, or change of place, where he is being maintained under guard.".

6. Article 96.2 is to read as follows:

**"Article 96.2 Periods for maintaining in temporary-maintenance solitary-confinement units individuals who have been confined under guard**

"Suspected or accused individuals with respect to whom, as a preventive measure, confinement under guard has been applied, can be maintained in temporary-maintenance solitary-confinement units for no more than three days.

"Suspected or accused individuals being maintained in investigative solitary-confinement units can be transferred to temporary-maintenance solitary-confinement units in instances when this is necessary for the execution of investigative actions, for the judicial examination of cases outside the confines of the populated places that are the locations of the investigative solitary-confinement units from which daily delivery of them is impossible, for the period of execution of the indicated actions and judicial process, but for no more than ten days in the course of a month.".

7. In Article 122.1 the words "by the statute on the procedure of short-term detention of individuals suspected of committing a crime" are to be replaced by the words: "by Federal Law 'Maintenance Under Guard of Persons Suspected or Accused of Committing Crimes'.".

**Article 2.** Add Article 15.1, with the following content, to RSFSR Corrective-Labor Code (VEDOMOSTI VERKHOVNOGO SOVETA RSFSR,1970, No. 51, Item 1220; 1983, No. 10, Article 319; 1985, No 39, Item 1353; 1987, No. 43, Item 1501; VEDOMOSTI SYEZDA NARODNYKH DEPUTATOV ROSSIYSKOY FEDERATSII I VERKHOVNOGO SOVETA ROSSIYSKOY FEDERATSII, 1993, No. 32, Article 1234):

**"Article 15.1. Use of institutions that carry out punishments for maintaining suspected or accused individuals under guard**

"Individuals who have been sentenced, who are serving their punishment in institutions that carry out punishments, and have been detained under suspicion of committing another crime, can be maintained in those institutions, but isolated from persons who have been sentenced and are serving their punishment.

"Suspected and accused individuals with respect to whom, as a preventive measure, confinement under guard has been applied, can be maintained in prisons or on the territories of institutions carrying out punishments, in facilities that have been specially equipped for those purposes, which function as investigative solitary-confinement units. The list of prisons and corrective-labor institutions on the territories of which the suspected and accused individuals can be maintained is approved by RF Minister of Internal Affairs after coordination with RF Procurator General.".

**Article 3.** Make the following amendments in the RSFSR Code on Administrative Offenses (VEDOMOSTI VERKHOVNOGO SOVETA RSFSR, 1984, No. 27, Item 909; 1986, No. 33, Item 919):

— in the name and in the text of Part 1 of Article 168, the words ", educational-labor, therapeutic-labor, and therapeutic-educational preventive clinics" are to be replaced by the words "and in places of maintenance under guard of persons who are suspected or accused of committing crimes."

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**Article 4.** Make the following amendments and changes in RSFSR Law "Militia" (VEDOMOSTI SYEZDA NARODNYKH DEPUTATOV RSFSR I VERKHOVNOGO SOVETA RSFSR, 1991, No 16, Article 503):

1. In Article 9:

— in Part 2, replace the words "solitary-confinement units for the temporary maintenance of individuals who have been detained or confined under guard" by the words "solitary-confinement units for the temporary detainment of suspended or accused individuals at internal affairs agencies";

— add to the article a new Part 7 with the following content:

"Decisions concerning the creation, reorganization, and liquidation of solitary-confinement units for the temporary maintenance of suspected or accused individuals at internal affairs agencies are made in the procedure established by the RF Ministry of Internal Affairs.";

— Part 7 through 10 are considered to be, respectively, Parts 8 through 11.

2. Add to Part 1 of Article 12, after the words "this Law," the words ", and employees of solitary-confinement units for the temporary maintenance of suspected or accused individuals at internal affairs agencies — by Federal Law 'Maintenance Under Guard of Individuals Suspected or Accused of Committing Crimes.'"

**Article 5.** Add to RF Law "Institutions and Agencies Carrying Out Criminal Punishments in the Form of Incarceration" (VEDOMOSTI SYEZDA NARODNYKH DEPUTATOV ROSSIYSKOY FEDERATSII I VERKHOVNOGO SOVETA ROSSIYSKOY FEDERATSII, 1993, No. 33, Item 1316) the following amendments and additions:

1. Add to the Law Article 5.1 with the following content:

**"Article 5.1. Use of institutions carrying out punishments for the purpose of maintaining suspected or accused individuals under guard**

"On territories of institutions carrying out punishments, it is permissible to set up special facilities that function as investigative solitary-confinement units, for maintaining suspected or accused individuals with respect to whom confinement under guard has been applied as a preventive measure. The list of such institutions is approved by RF Minister of Foreign Affairs after coordination with the RF Procurator General.".

2. Add paragraph 7, with the following content, to Article 13:

"7) guarantee the conditions for maintaining suspected or accused individuals with respect to whom confinement under guard has been applied as a preventive measure, as well as the observance of their rights and the execution by them of their duties in conformity with Federal Law 'Maintenance Under Guard of Individuals Suspected or Accused of Committing Crimes.".

3. In Article 28:

— add to the article a new Part 2 with the following content:

"Employees of the investigative solitary-confinement units in the criminal-executive system may apply physical force, special means, gas-operated weapons and firearms in the procedure and instances stipulated by Federal Law 'Maintenance Under Guard of Persons Suspected or Accused of Committing Crimes,' by this Law, and by other normative legal acts of the Russian Federation.";

— Parts 2 through 6 are to be considered, respectively, Parts 3 through 7.

**Article 6.** This Federal Law goes into effect on the day of its official promulgation, except for the principles in paragraphs 2 and 4 of Article 1 concerning the granting to suspected or accused individuals being maintained in temporary-maintenance solitary-confinement units, of meetings with relatives and other individuals. Those principles go into effect at the moment of creation of the appropriate conditions, but no later than 1 January 1998.

[Signed] B. Yeltsin, president of the Russian Federation

Moscow. The Kremlin.
15 June 1996
No. 73-FZ [Federal Law]

**Russia: Use of Bombs in Assassination Attempts**

*964F2596A Moscow MOSKOVSKIYE NOVOSTI in Russian 9-16 Jun 96 No 23, p 23*

[Interview with Mikhail Slinko, former associate of the Moscow Prosecutor's Office, conducted by MOSKOVSKIYE NOVOSTI correspondent Leonid Nikitinskiy: "The Explosion of Explosions"]

[FBIS Translated Text] **The complication of the criminal situation in the capital is accompanied by an increase in the number of previously unseen crimes and methods of committing them. The latest example**

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**is the attempt on the life of candidate for Vice-Mayor of Moscow, Valeriy Shantsev.**

At the beginning of the year, MOSKOVSKIYE NOVOSTI (No. 5) published an interview with a former associate of the Department for Investigating Banditism and Homicides of the Moscow Prosecutor's Office, Mikhail Slinko, which concerned murders for hire. We will recall that Slinko left the Moscow Prosecutor's Office as a result of its conflict with the Prosecutor General's Office in the Spring of last year. And, finding himself temporarily away from these matters, he sat down to write a dissertation about organized crime. Murders for hire do not exhaust the topic of the study. Another part of it was devoted to criminal bombings. Today Mikhail Slinko again answers questions for MOSKOVSKIYE NOVOSTI.

## THUNDER IN THE HEART OF RUSSIA

[Correspondent] When did the bombings first start in Moscow?

[Slinko] The intentional ones—in 1991. Prior to that time, we heard only about explosions due to negligence. And as of 1993 we have begun hearing about them as a specific criminal problem. Explosive devices have begun to be used as means of performing murders for hire, damaging property and making threats. We associate this with the emergence of a number of specific conditions which have arisen on the background of the overall criminalization of the country. First of all—with the appearance of explosive substances and devices on the criminal market, as well as trained specialists who are most often backed by Afghanistan and the "hot spots" of the CIS.

Getting used to violence has also been a psychological factor: The "hot spots" have made society accustomed to bloodshed. At the same time, in the opinion of psychologists, the circumstance that, during the explosion there is no contact with the victim, and this means that the personal safety of the criminal is ensured—also plays a role. Thus, while in 1994 in Moscow there were 107 cases of criminal bombings reported, in 1995 there were already over 130. If there is something that hinders the growth of this type of crime, it is the large volume of preparatory work which it requires.

[Correspondent] Could you cite some characteristic cases?

[Slinko] It is hardly possible to cite examples with indication of all the circumstances (primarily the characteristics of the contractors, executors and their motives), due to the fact that the overwhelming majority of these crimes remain unsolved. We may speak only of the external aspect of the facts. In August of 1994, in one of the buildings of Zelenograd, the stairwells of three stories and the walls of the building collapsed as a result of the explosion of an explosive device of undetermined origin. In October there was an explosion in the "MK" editorial office, as a result of which journalist Dmitriy Kholodov was killed. In November, a device equivalent to 400g of TNT exploded at the Kozhukhovo-Kanatchikovo railroad crossing under the first car of a passing train. In January of 1995 there were five explosions: At the instructional building of MGU [Moscow State University], in Lefortovo alley, at a transformer substation, in the "Metropol" Hotel, and at the administration building of the municipal district "Gagarinskiy." All of them have the outward signs of terrorism, but not one of these crimes has been solved.

[Correspondent] What types of explosive devices are used, as a rule?

[Slinko] In most cases, this is impossible to determine, since the explosive device is destroyed on site. In 1995, out of a total of 130 explosions, we were able to determine the type of device in only 59 cases. In 33 cases, a combat grenade was used, in 6—a grenade launcher, and in 3—standard mines. On the basis of this data, we may conclude that standard army devices or their components are most often used. But we also run across homemade devices with timing mechanisms—9 cases in 1995, as well as radio-controlled and electromechanical detonators—4 cases. These devices are used, as a rule, in cases of murders for hire: For example, in the murder of the crime boss Timofeyev (Silvestr), or in the attempt on the life of General Director of LogoVAZ, Boris Berezovskiy.

## ANYONE CAN SUFFER

[Correspondent] Where and at what time do the bombs explode most often?

[Slinko] The particular danger of this method of committing crimes is associated with the fact that entirely random people may suffer. For example, during the attempt on Berezovskiy, seven passers-by were hurt. An explosion may happen anywhere. Most often, explosive devices are set at the doors of an entryway to a residential building or apartment, or at a window. In 1994, this method was used to commit 30, and in 1995—34 crimes, which comprised one-fourth of all those committed. Cases in which the explosive devices were set at the entryways to offices, institutions, stores or restaurants may be considered as being of the same order. In 1994 there were 15 such cases, and in 1995—13. The use of such variants presupposes a knowledgs of the habits and routes of movement of the victim. Second most frequent are explosions in automobiles: In

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1994 there were 30 such cases, or 28 percent, and in 1995—21, or 16 percent. Moreover, last year nine explosions occurred at parking lots or when garage doors were opened.

Unfortunately, the number of such crimes committed on the street or in buildings is increasing. In 1994 there were 9 explosions on the streets of Moscow, in 1995—19, and 10 and 18 explosions at official buildings, respectively. The use of grenade launchers is becoming more frequent: Last year we already counted six such cases. We should consider the fact that part of the explosions which happened on the streets, in official and residential buildings, have evidently been the result of careless handling of explosive devices. An excellent example of this is the recent explosion of a grenade with which school children were playing. This testifies to the fact that Moscow is flooded with such weapons.

Statistics show that one-fifth of all explosions occurred in the center of the city. Almost a third of the explosions occur between 10:00 p.m. and 2:00 a.m. Slightly over a third of the explosions occurred in the intervals between 6:00 and 10:00 p.m. and 2:00 to 6:00 a.m. It is most logical to assume that the thoroughly planned explosions which pursue the goal of murder, destruction of property or intimidation, occur at this time. Nightime is the safest time for planting the explosive devices. And, on the contrary, accidental explosions resulting from careless handling of explosive devices occur during the day.

**OPTIMISTIC TENDENCIES**

[Correspondent] What is the overall number of victims?

[Slinko] Here there is an unexpected and, if we may say so, an optimistic tendency to a certain degree. In 1994, 16 out of 107 explosions had lethal outcome, and in 1995—5 out of 130. An analysis of the more or less probable (since it is impossible to fully recreate the scene of the crime) attempted murders shows that in 1994 there were 25 such cases, or almost one-fourth of the total number of bombings, and in 1995—19. What does this indicate? It indicates that bombings are most often used for the purpose of destroying property and intimidating victims.

[Correspondent] You mentioned several times the low rate of solving these crimes.

[Slinko] Yes, in 1995, 13 percent of these crimes were successfully investigated in Moscow, which is comparable with analogous indicators in the developed countries of the West, not to mention the Near East. The means of investigation following the method of "who would stand to gain?" may be used to come to versions about contractors, but most often no evidence can be traced to them. Therefore, it is easier to prevent bombings than to seek their perpetrators. But for this it is necessary to once again get under control not only the general criminal situation in the country, but also—especially—the market in appropriate materials and services. And there are no hopes for this in the immediate future.

However, we may say that in recent times steps have been undertaken for resolving the problem: Special subdivisions in the agencies of the prosecutor's office and internal affairs have been created, experience has been accumulated, and methodologies of exposing such crimes are being developed. The lack of coordination in the criminal-legal qualification of this type of criminal is gradually being overcome. Although, due to lack of clarity of the picture, the perpetrators of the explosions may be charged under a large "array" of articles—from terrorism (Article 213-3 of the RF Criminal Code) and intentional murder with aggravating circumstances (Article 102) to hooliganism (206), unlawful possession of explosive substances (218), intentional (149) or in other cases negligent damage to property (Article 150 of the Criminal Code).

## Russia: Fighting Crime in Law-Enforcement Agencies

*964F2729A Moscow NEZAVISIMAYA GAZETA (NEZAVISIMOYE VOYENNOYE OBOZRENIYE Supplement) No 12, 27 Jun 96, p 7*

[Article by Oleg Rubnikovich: "Self Security is Very Important. An Appropriate Directorate Has Already Been at Work in the Internal Affairs Ministry For Several Months"]

[FBIS Translated Text] MVD

In January 1996, a new force unit—the Self Security Directorate (USB)—was formed within the Ministry of Internal Affairs [MVD]. It is designed to watch over the purity of police ranks and get rid of personnel who have compromised themselves.

The directorate's main tasks are to expose, prevent and stop violations of the law by employees of internal affairs agencies. Self security units work in close collaboration with other services of the MVD system, as well as with the FSB [Federal Security Service], prosecutor's office and courts.

The personnel inspectorates that had existed until recently in internal affairs agencies have now become departments of the USB. The service was reorganized in the framework of implementing a complex of organizational and practical measures aimed at ensuring security and consolidating the legal status of the police. In the words of the USB chief, Internal Service Major-General

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Svyatoslav Golitsyn, over the last two years the ministry leadership has established more strict criteria of professional suitability of personnel and unhesitatingly gets rid of those who have taken to the path of crime. The USB will soon set up a databank of all personnel and has begun, in cooperation with the MVD Scientific Research Institute, developing a new system of multilevel checks of people newly joining police ranks.

So far, however, the number of traitors uncovered in law enforcement agencies is growing from year to year. Whereas 137 employees were convicted in 1991, 40 of them for office crimes,in 1995 the respective numbers were 1,406 and 561. Of special concern, in the words of Major-General Golitsyn, is the real danger of criminal groups penetrating internal affairs agencies that has appeared in recent years, the leaking of secret and official information, as well as cases of pressurizing police personnel with the purpose of luring them into the activities of criminal structures. They claim in the MVD that this depressing picture is due to the fact that you can't get rid of mistakenly recruited people in one day, and besides, many young employees are frequently unable to resist the temptation of getting rich quick.

At present it is still hard to say how effective the USB's confrontation with unruly colleagues will be. Judging by numbers—only 44 people in the central office, with only one USB agent per 1,500 people in local offices—it is hard to speak of any noticeable changes. For comparison's sake, in the US there are no more than 50 policemen for every Self Security Directorate official.

One of the first of the new units was set up in the Moscow City Internal Affairs Administration, where the situation has for long been unsatisfactory. This was borne out by the results of the latest inspection. Of the 400 checked cases 73 were forwarded to the prosecutor's office for considering criminal charges.

Self security units in the regions have begun operating with equal success. Just recently a Colonel N., chief of a city internal affairs administration, was exposed in a southern Russian city. An investigation established that from 1993 to 1996 he headed not only the internal affairs department, but a stock company as well. As a result of such double-hatting the interests of his main job suffered a loss of 50 million rubles. In the course of further investigation it was established that the colonel maintained corrupt ties with leaders of criminal structures and also headed "covers" for two commercial firms. Colleagues noticed excessive expenditures on the part of their chief, and it was also learned that over three years he regularly took vacations abroad, concealing this from the leadership. Colonel N. has now been dismissed from the police and the question of charging him criminally is being decided.

Such cases, in the words of Svyatoslav Golitsyn, are the most difficult for his subordinates. But the unit may well be overwhelmed by a torrent of "less incriminating" actions by people in police uniform. Thus, lately there have been more and more cases of personnel losing service weapons and IDs.

**Russia: New Structure for Security System Proposed**

*964F2647A Moscow EKSPERT in Russian 17 Jun 96 No 23, p 27*

[Article by Oleg Utitsin and Aleksey Batushenko under "Security" rubric: "New Security Structure: Inspectors or Militia Members?"]

[FBIS Translated Text] **On 11 June, the Ministry of Internal Affairs of Russia held a briefing on the subject of "Violations of Legislation in the Action of Private Detectives and Guards and Measures of the Ministry of Internal Affairs of the Russian Federation to Rectify Them."**

We have already reported on the intention of Russian businessmen and nonstate commercial security structures to establish their own national special service (see EKSPERT, No. 20 of this year). We remind you that the new concept for security of business in Russia proposed that state law-enforcement activities must be put under control and the controller must be precisely the nonstate structure of business security.

The authors of this project look with optimism at the possibility of its realization; those upon whom its realization depends (Yeltsin, for example) are silent for the time being (now is not the time for this).

At the briefing, correspondents from EKSPERT were interested in the opinion on an alternative special service of practitioners. Here is the response of Boris Martazin, deputy chief of the directorate for licensed work of the RUOP [Regional Organized Crime Administration] of the Ministry of Internal Affairs of Russia:

"In my view, the state service must handle its own obligations itself. The money that the TPP [Chamber of Commerce and Industry], ARB [Association of Russian Banks], and others intend to spend for the realization of the project could better be used to strengthen law-enforcement agencies."

Col Valeriy Golubev reinforced the opinion of his colleague with data on the results of a preventive action carried out in April of this year by the Ministry of Internal Affairs to check private security structures.

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And here are the data. They examined 5,019 security formations, 132 detective enterprises, 4,285 security services at enterprises, and 126 nonstate institutions for the training of private detectives and guards. They discovered 62 enterprises and 2,800 persons providing security and investigation services without licenses and registration. They canceled 336 licenses and closed 138 security services at enterprises. There were 544 persons brought to administrative responsibility and 32 criminal cases were initiated.

"How many former colleagues of law-enforcement agencies are now working in nonstate security structures and what percentage of the total number of these firms are legalized subdivisions of gangsters?," correspondents from EKSPERT asked Mr Golubev.

"From 1992 through 1994, from 60 to 65 percent of the people in private security firms were former colleagues. Their share declined after courses for the training of guards began to show up in the structures of the Ministry of Internal Affairs and outside of the ministry. There are now about 14,000 former colleagues of the internal affairs agencies in Russia and about 5,000 former members of State Security. In the course of the April check, a thief in honor who was wanted—Petr Kozlov—was arrested in Moscow with a Tokarev Tula pistol and 15 cartridges. A certain Ivakin and a certain Lobanov, representatives of the private security enterprise 'Bogatyr,' accompanied Kozlov armed with Makarov pistols. The weapons were issued to them by 'Bogatyr' to provide security to the private enterprise 'Anfal.' They are now checking to see if Ivakin belonged to one of the criminal groupings. As a result, 'Bogatyr' was offically warned for violating the procedures for the storage and accounting of weapons and Ivakin and Lobanov were deprived of their licenses for security work."

One must give what is due to the representatives of the Ministry of Internal Affairs, who are trying rather diplomatically to organize cooperation with nonstate security agencies, at the same time presenting to the government their own proposals on the restriction of the activities of their competitors in the market for business security.

For example, the police at the briefing reminded their competitors once again through representatives of the mass media that since 1 January 1996 they are not allowed to use the Makarov pistol.

Lt Col of the Police Yelena Shelkovnikov: "In the United States, there is a definite gradation of weapons for law-enforcement agencies, detectives, and citizens. Respectively there are police, service (for detectives), and civilian weapons. Only 30 percent of private guards there have service weapons, whereas the rest have diverse special technical equipment."

For our part, we will note that in Russia precisely private bodyguards do not have the right to carry weapons and pistols are issued for the protection of possessions or property. And one other thing: for private security structures in Russia, the Makarov pistol is being replaced by the Russian so-called service revolvers DOG-1 and R-92 and the pistol Izh-71, all of whose specifications are inferior to the already inadequate Makarov pistol.

Meanwhile, private security firms have already paid substantial sums of money to the Ministry of Internal Affairs for licenses to carry weapons (about 2 million rubles at the present time) plus money for the leasing of Makarov pistols....

Col Valeriy Golubev: "The confiscation of Makarov pistols will take place with the expiration of the terms of the contracts for their leasing and only then will it be necessary to pay for new licenses and for the weapons themselves. Many managers of private security structures welcome such a simplified—in their view—form of rearmament."

In the course of the "April check," more than 4,800 firearms, 73,000 rounds of ammunition, four kg of explosives, 76 grenades, a large quantity of gas pistols, revolvers, and electric-shock devices, and 190 nonportable and portable radio stations were confiscated from nonstate security structures and natural persons.

Nevertheless, in concluding the briefing, the representatives of the Ministry of Internal Affairs praised nonstate security services and this is why: "In Moscow Oblast, for example, employees of private security enterprises turn to rayon internal affairs administrations for joint patrolling on nonworking days and holidays and for the prevention of car thefts. The Ministry of Internal Affairs of Russia made some proposals to the Government of the Russian Federation on the granting of certain privileges to such agencies with respect to the profit and value-added taxes."

**Russia: Foreign Intelligence Service Changes Urged**

*964F2604A Moscow NEZAVISIMOYE VOYENNOYE OBOZRENIYE (Supplement to NEZAVISIMAYA GAZETA) in Russian 15 Jun 96 p 7*

[Article by Yevgeniy Krutikov under the rubric "Russia": "Interdepartmental Contradictions and Small-Scale Activities. The Work of the Intelligence Community in the Post-Soviet Space Must be Reorganized"]

[FBIS Translated Text] Lately several overlapping emergency situations drew the attention of observers

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to the very fact of Russian special service activities in CIS countries, the Baltic states and Russia itself, as well as to how effective those activities were. Topping the list are the apparent death of Dzhokhar Dudayev, the expulsion from Estonia of Russian diplomat Sergey Andreyev, accused by the republic's security police of espionage, and then a major arms trade scandal, again in Estonia (provoked, according to the official version, by the British MI-5 counterintelligence service, or according to other sources, the Russian special services through MI-5), as well as the success of Yevgeniy Primakov's shuttle diplomacy resulting in an exchange of several dozen prisoners of the Karabakh conflict.

The circumstances of the Chechen separatist leader's death, in the view of many observers, unequivocally point to the involvement of Russian special services. Andreyev, counsellor of the Russian embassy in Tallinn, was arrested by the Estonian security police in a downtown cafe just as he was receiving confidential information from his Estonian agent. Since official Estonian sources have failed to comment on the fact of an Estonian citizen's collaborating with the Russian secret service by passing "documents" to Andreyev, it would be reasonable to assume that there was no treason on the Estonian's part and what we have is a double agent or a deliberate provocation by Estonian secret services. Immediately following this MI-5 made public information according to which Estonian arms dealers had repeatedly sold weapons to the IRA and other terrorists groups. The recent arrest in Moscow of a mid-level employee of the Russian Foreign Ministry, who was accused of spying for Great Britain, and the subsequent scandal, with the expulsion of several British diplomats, was, in the view of several important sources, due not so much to the efficiency of Russian counter-intelligence people in Moscow as to the presence of agents in Great Britain and several "near abroad" countries, which contributed to the exposure of the British agent and the measures taken in response to discredit the Estonian special services. As for Yevgeniy Primakov's mission, there is no need to comment on it in detail: The transfer of war prisoners and hostages in Transcaucasia has always been directly associated with the work of special services involving, moreover, not just the acquisition of information, but also special operations.

The intelligence service is an organization authorized by the government to illegally gather secret information in foreign countries. In some situations to this basic intelligence function are added special operations: actions in one way or another affecting the political, economic, military or some other situation in a foreign country. The complex of state organizations monopolizing intelligence and special operations is called the intelligence community, which includes all structures, including those not directly subordinate to the president or government (for example, the Main Intelligence Directorate of the General Staff of the Russian Federation Armed Forces is directly subordinate only to the Chief of the General Staff and the Minister of Defense, but not to the president, with whom the chief of the Main Intelligence Directorate—the second-ranking intelligence service of the Russian Federation—doesn't even have a fixed hour for weekly or daily reports, like the director of the SVR [Foreign Intelligence Service]).

Russia, which inherited from the USSR a sufficiently well-defined, though not always balanced or politically justified, intelligence community system, had to start building up special service structures on the territories of the newly independent states virtually from scratch. This was due primarily to the swift severing of the republican KGBs from the federal center in Moscow and to the insufficient attention (or actually, during 1990-1992, no attention at all) given to conflict processes in countries of the post-soviet space. Numerous reforms—KGB-MSB [Inter-Republic Security Service]-MB [Ministry of Security]-FSK [Federal Counter-intelligence Service]-FSB [Federal Security Service]-SVR—complemented the picture of complete absence of Russian intelligence in CIS countries. As a consequence, over virtually all the perestroyka and post-perestroyka years the country's political leadership received no information from conflict areas of the near abroad; or it received distorted information, filtered through several departments and strictly dosed, the use of which ultimately led to serious Russian foreign policy losses in CIS countries and the Baltic states, to the detriment of Russia's national security. Actually, even the main tasks of the Russian intelligence community in countries of the near abroad were not defined, and whatever work was conducted in them was amateurish, with no clear objective and, moreover, as a rule in the interests not of the Russian state, but of a specific department involved in one event or another in the territories of the newly independent states.

At the same time, in my opinion, one of the main situational problems which Russia's intelligence community had to resolve in the so-called "near abroad" space was the creation of an effective early conflict prevention system. Such a system would make it possible to receive adequate and timely information about the nature, state, activities and dynamics of internal processes taking place in all centers of influence in the politics and economies of newly independent states, which would promote the prevention and forewarning of possible conflicts during the early stages of their development, as well as their management.

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There are a number of factors why the work of Russia's intelligence community in the space of the newly independent states will never be as effective and rationally organized as were the activities of USSR structures on a global scale (despite the fact that the latter were also very far from perfect). Firstly, policy makers in CIS countries harbor fears that Moscow could use intelligence data against them, for example, during peacekeeping operations (in the Caucasus, Tajikistan), or for economic pressure (in Ukraine, the Baltic states). As a consequence, paradoxical as it may seem, cooperation with information and special agencies of CIS countries, despite numerous individual and mutual allied agreements, are becoming less promising than, say, with the CIA, FBI or SIS. In this connection it seems important to avoid using the term "intelligence data" and, as much as possible, replace it with "information" (though one must realize that such linguistic exertions will not significantly change the state of affairs). Thus, work in the territories of CIS countries, the Baltic states and in conflict zones of Russia itself (for example, the Northern Caucasus) becomes 50-percent open, legal activities using as cover completely justified integration processes which have lately been consistently developing in countries of the former USSR.

Secondly, Russian national structures (FSB, SVR, GRU GSh [Main Intelligence Directorate of the General Staff], FAPSI [Federal Government Communications and Information Agency]) are frequently reluctant to provide information to some federal agencies of the executive branch. This, they fear, could jeopardize their information sources, human and technical potential, as well as national security in general. (This is especially true of agent intelligence, as well as information obtained with the help of national technical means: reconnaissance satellites, radio intercept, air reconnaissance, and other costly technical means.) Except for indubitable cases, when the transfer of information may really lead to such negative consequences, in most cases these refusals of "historically developed" structures of the intelligence community are basically aimed at protecting parochial interests. This is due primarily to the absence of specific responsibility of national structures for the situation in individual regions. As a rule, the national structures have grown used to global activities, they like to see themselves as pinnacles of world politics, which in the new international situation leads to the unwillingness of "decision-makers" to deal with the "small-scale" problems of CIS countries. Failures, only natural in such circumstances (for example, the grossly erroneous assessment of the military potential of the Chechen separatists, loss of control over the situation in Georgia, the deep penetration of Western structures into the Baltic states, inefficient military intelligence in Tajikistan, and so on) is, as a rule, glossed over or rhetorically embellished with reports about the intelligence community's successes in some highly fashionable sphere, say, ecology or smuggling of radioactive materials.

Thirdly, competition among different, diverse structures, which is, of course, vitally important and is one of the basic factors for the effective functioning of the intelligence community as a whole, in our situation leads to "knocking the chair" out from under competitors. That, for instance, was the case when FSB officials enlisted army officers for "unofficial" assaults of Groznyy and then abandoned its prisoners under the pretext that "the FSB is not responsible for the military." Or the joint participation of the GRU, the intelligence directorate of the ZakVO [Transcausasus Military District] (now the GRVZ [Group of Russian Forces in Transcaucasia]) and the FSB in the 1991 "New Year coup" in Georgia and then in the war in Abkhazia—but on different sides of the front. Classical examples of such "interdepartmental interaction" were the operations against assault groups in Budennovsk and Kizlyar-Pervomayskoye. However, many more failures were concealed from the public. As a rule, failures of the special services stem from the crossing of departmental interests, which ultimately greatly damages Russian interests and national security. Suffice it to cite as an example the widescale arms trade in the post-soviet space, which represents an extremely complex, tangled web replete with multistage structures and celebrated personalities, in which official and illegal structures in the Caucasus, different regions of Russia, the Baltic states, countries of the "far abroad," financial, military, industrial, political, intelligence and other circles are enmeshed, and over which national structures of the Russian intelligence community are unable to establish any control. More, occasionally some elements of the community, by supplying weapons and intelligence data to centers of influence in regions which seem promising to them, engage in open warfare against other Russian structures which, for reasons known only to them, consider otherwise. Nowhere in any part of the world are such things possible.

However, the situations which have developed in Chechnya, Abkhaziya and Georgia testify to the uselessness of an early-warning system if those to whom the information is addressed (however valuable it might be) lack the desire to act as they should on the basis of the received data (on a world scale this was graphically apparent in the conduct of UN peacekeeping operations in Bosnia and Herzogovina, Angola and Somalia). In such a situation best equipped for effective actions is precisely the leadership of a specialized regional structure. At least initially it can employ methods of

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peaceful or even secret diplomacy through the medium of so-called useful services, use tools of "good will," and establish facts for obtaining information, thus becoming not simply an information structure, but an element of the political system of the region in which it operates, thereby enhancing the effectiveness of Russian policy.

At the same time, in developing an information system in the space of the former USSR it is necessary to realize that contemporary political practice in countries of the near abroad is indicative not so much of a shortage of information as of the appropriate structures' inability to process and interpret it. Piecemeal intelligence data, like strategic information, theoretical research of an ethnological, political, economic, military or also, in some cases, of a historical, geographic, linguistic and other nature, must be subjected to timely processing and analysis with the help of experts and specialists. In other words, the end product of the activities of Russian information structures in countries of the near abroad should be not so much a "string" of intelligence data (which is also necessary) as analyses of the underlying causes of processes taking place in the regions, making it possible to determine the adequate nature and behavior of the executive authorities called upon to protect Russia's national interests.

Thus, the structures of the Russian Federation's intelligence community engaged in exposing threats to Russia's national security on the territory of the former USSR should form a network of specialized independent information and analytical structures including: 1) conventional, classical forms of operational and analytical intelligence under the guise of legal information gathering activity; 2) effective expert, scientific analysis of the information obtained. At the same time, it is necessary to stress that the value of the information and analysis possible in the framework of such structures is especially great in regions which are not currently in a state of open armed conflict, insofar as the effective use of obtained and processed data makes it possible to control the situation in the prevention stage, thus avoiding direct force intervention, if even in the framework of a limited "peacekeeping operation."

The main purposes of such an information-analytical network could be: 1) providing executive authorities with information needed to make decisions directly affecting the security of citizens of the Russian Federation and the main elements of national security; 2) performance of operations aimed at protecting RF national interests and the security of its citizens, which cannot be performed by diplomatic means with the use of traditional structures directly associated with the Russian state; 3) support in carrying out military operations; 4) analytical support of all branches of power of the Russian Federation on issues within the narrow terms of reference of regional specialized structures.

The problem of coordinating the actions of such a network of organizationally, administratively and financially independent structures can be resolved by setting up two conciliation commissions: one interdepartmental, which would include representatives of all concerned agencies of the executive branch, and one parliamentary, which could include agreed upon members of parliament from appropriate committees of both chambers of the Federal Assembly. Administratively, the network of information-analytical structures engaged in studying the situation and processes in the post-soviet space occupies the niche of the former RT Directorate (operations on the territory of the USSR) of the KGB's First Main Directorate, but employing the principle of regional independence of individual elements of the network. Centralized management can be enforced only in the interests of interregional coordination of specific operations, and only with the concurrence of all concerned parties expressed through the conciliation commission. Otherwise the entire network or individual key elements of it (the Caucasus, Baltic region, Tajikistan) will gradually fall under the influence of national structures, which will even fight a little to take over as many regions as possible for themselves, after which the very purpose of such a reorganization—increasing the effectiveness of Russian intelligence in the post-soviet space by eliminating interdepartmental contradictions and increasing specialization—will be lost in the mist.

**Russia: Regional Courts Said Underfunded**

*964F2625A Moscow PRAVDA in Russian 22 Jun 96 p 2*

[Letter signed by G.A. Zhiganov, chairman of the Novosibirsk Oblast Council of Judges, V.P. Litvinskiy, chairman of the Novosibirsk Regional Court, and 13 other unidentified signatories: "Judges as Beggars. Can the Third Branch of Power be Independent?"]

[FBIS Translated Text] [Boxed passage] ONLY FACTS

**Volgograd Oblast**

14 courts of the oblast are housed in unsuitable premises. The personnel question is unresolved. In

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1995, the Volgograd Oblast administration's Justice Department requested from the RF Justice Ministry an additional 34 court staffs and 50 court proceedings secretaries.

**Kaliningrad Oblast**

Out 2.5 billion rubles needed for salaries in 1995, 602 million was not received; 400 million was allocated for operational expenses instead of 650. Court debts total 396.5 million rubles.

**Novosibirsk Oblast**

In 1995, allocated funds were insufficient to pay for utilities, postage and telephone, the acquisition of stationary and office supplies, and providing motor transportation.

**Orenburg Oblast**

Inadequate material, technical and financial support make it impossible to provide minimal security measures for courts.

**Sakhalin Oblast**

There is a drain of qualified personnel: 14 judges left in 1995.

**Sverdlovsk Oblast**

Funds have not been allocated for housing, some judges have no housing at all. [End of boxed passage]

We, members of the judicial community and employees of federal court staffs of Novosibirsk, Omsk, Tomsk and Kemerovo Oblasts, Altay and Krasnoyarsk Krays, and the Altay Republic, are seriously concerned with the deepening crisis of Russia's court system and the catastrophic worsening of actual conditions for the functioning of courts, which ultimately can lead to a general paralysis of judicial activity in the country. All our appeals to the Ministry of Justice and the RF Government, as a rule, remain unanswered.

While the workload has increased sharply and the sphere of judicial responsibility has expanded, the conditions in which courts are functioning continue to deteriorate. In 1995, clearly insufficient funds were allocated to pay for utilities, maintaining motor transport, acquiring paper, and preparing necessary printed forms. Of the funds allocated some have not been paid out to this date. And this debt has not been paid. Unfortunately, this year the situation is not improving.

This year the Finance Ministry allocated 1,909.8 billion rubles for the operation of federal courts, which is only around 35 percent of the requested 5.5 trillion rubles. This sum is not even enough to support the currently operating court system. Yet in the first quarter of 1996 only salaries were funded, and only up to 80 percent.

All this forces the supervisors of courts and judicial agencies to turn to the heads of oblast and kray administrations for help in paying debts, which does not promote the greater independence of judges from the executive power. Courts have been placed in a humiliating position, in which they remain to this day. In the position of a "Cinderella" in a so-called law-abiding state. This attitude of the legislative and executive powers towards the needs of courts undermines faith in the sincerity of declarations about the state's concern for a strong judiciary power.

We are therefore compelled to state that the messages of the Russian Federation President to the Federal Assembly, "On the Strengthening of the Russian State" of 24 February 1994 and 16 February 1995, and the Russian President's instructions to the RF Government of 29 March 1995 and 8 December 1995 have essentially been forgotten.

The Federal Law, "On Additional Guarantees of the Social Protection of Judges and Court Staff Employees of the Russian Federation," is languishing, because the 1996 budget contains no funding necessary for its implementation.

In 1995-1996, Novosibirsk Oblast did not receive a single additional judicial position, even though in 1995 the number of cases in courts increased: criminal by one quarter, civil by 63 percent. A similar situation has developed in other regions of Siberia.

The material and technical support of courts is, in the final analysis, a political matter. If the courts are unable to normally dispense justice, the protection of citizens' rights and interests with laws alone is a profanation. Besides, the number of court executors is small and they are essentially defenseless and without rights. The situation can be rectified only by passing laws "On Bailiffs" and "On the Implementation of Court Decisions." It is also necessary to adopt new Criminal Procedure and Civil Procedure Codes or introduce necessary amendments in existing procedural legislation.

[ital]On behalf of the corps and staff employees of federal courts of common jurisdiction of Altay Kray and the Republic of Altay, Krasnoyarsk Kray, Kemerovo, Omsk and Tomsk Oblasts.[med]

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**Russia: Police Struggle Against Counterfeiting**

*964F2731A Moscow ROSSIYSKAYA GAZETA in Russian 28 Jun 96 p 31*

[Article by Anatoliy Shapovalov under the rubric "Documentary Detective Story": "Lookalike 'Greenback'"]

[FBIS Translated Text] The fight against counterfeiters is getting more and more difficult. The police are forced to operate not only against individuals and groups, but entire states.

American special services appeal to beware not only of those bearing presents, but also of people (mainly of "Mid-Eastern" nationality) scattering hundred-dollar bills left and right. Their warnings are by no means premature: Fake new bills have already appeared in a number of countries of the world. Moreover, unlike cheap counterfeits, they are top-notch products, fabricated not by offset, but by intaglio printing, using the heavy presses used by the American Treasury.

There is nothing surprising here. In the opinion of American financial experts, "counterfeit dollars are coming not from traditional criminal structures, but from... government circles."

To be sure, there is a fully justifiable explanation to this. There was a time when counterfeit dollars were essentially an internal domain of the US, occasionally erupting into real battles between the FBI and gangsters. However, nothing is eternal under the moon. The Cold War came to an end, the communist system collapsed in several countries, the process of globalization of the economy gained momentum, and the dollar broke loose, like a genie out of a bottle, and took to the expanses of the world with little regard for either East or West. Gangsters were replaced by gangster-nations (in particular, it is claimed, though not proved, the best counterfeit dollars are produced by Iran and circulated by Syria).

FBI forces proved inadequate, so the CIA and the Secret Service, which is subordinate directly to the Treasury, came into the arena. These are awe-inspiring organizations, but their capabilities, it appears, are not limitless. As for the number of CIA operatives dealing with fake dollars, that, of course, is a highly classified secret. As for the Secret Service, it has only 2,020 agents, of whom only 20 operate abroad. All in all, activities are limited and fake dollars are still free to circulate all over the place.

It would be wrong to assume that counterfeiters are only an American headache. The problem extends, alas, to "the rest of the world." In Europe fake bills, as well as coins, are mostly flooding France. Mainly in circulation are 100-dollar and 200-franc bills. And there's simply no avoiding fake 10-franc coins, which in some French cities account for up to one-third of all coins in circulation. The fakes are of the highest quality, and they are being supplied by underground shops, and even plants, located in Italy. So far there is no reining in of the counterfeiters: they are not even afraid of life terms (if caught red-handed).

There is also unprecedented activity in the post-socialist states of Central and Eastern Europe. This spring Polish police discovered 12 billion Ukrainian karbovanetses in the port city of Swinojuscie. Unravelling the thread further, they found that there were underground printing presses in Poland printing "money" for republics of the former USSR, including Russia. Just recently a group of Polish citizens was detained from whom 1,500 counterfeit 50,000-ruble bills were confiscated. After realistically assessing the "counterfeiting" threat, Russian and Polish detectives decided to join forces to block the flow of fake money and track down the high-class craftsmen.

However, the age of no counterfeit money is most likely not yet in sight. West-European craftsmen are now absorbed with new and, more important, large-scale concerns. The EC is moving towards a uniform currency, the "Euro," consequently boundless horizons are opening up before counterfeiters. True, there is no sense of euphoria. All forces have been directed at assuring the highest quality of counterfeits. It should be such as to escape the eye of any detective.

Well, and as for plain mortals, we can only suggest: be vigilant.

**Russia: Number of Credit Card Swindlers Increasing**

*964F1588A Moscow INTERFAKS - AIF in Russian 10-16 Jun 96 No 23, pp 1,32*

[Article by Nikolay Modestov, INTERFAKS-AIF correspondent: "Swindlers Are Changing the Master-Keys to Credit Cards"]

[FBIS Translated Text] It seems that such traditional forms of swindling as counterfeiting monetary notes or robbing banks are gradually fading into the background. The "new swindlers" use the most up-to-date technical achievements for their purposes. In the period of some 5 years, the once widespread "specialty" of a safecracker has become a rarity. At the same time, computer crime and other varieties of misappropriations with the aid of electronic means have gone from being exotic to being commonplace occurrences. According to the capital's law enforcement agencies, last year in Moscow alone the loss from manipulations with credit cards comprised around $1.5 million U.S.

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## HOW IT ALL BEGAN

At first, the investigations of crimes associated with the use of credit cards were rarely brought to their conclusion. This was explained by the lack of experience of our special services and the unwillingness of Western banks to advertise scandals, especially since the losses to a reliable bank from such affairs were insignificant. In the early 90's, there was a court case which gained broad notoriety in the country. The militia had detained a certain Nikolay Suleymanov. In the course of the investigation, it became apparent that he had long engaged in credit card manipulations. With the aid of threats, N. Suleymanov had subordinated the cashiers of the Moscow currency stores "Berezka" to himself.

Two cashiers were arrested, but even as they sat behind the walls of the investigative isolation facility of Butyrskiy jail, they shuddered at the very mention of Suleymanov's name. According to the workers of the currency stores, the Chechens left them no choice: Either cooperate and give a share of the privatized deals, or... This was partially confirmed by the operative data. A certain obstinate cashier, who refused to conduct negotiations with Suleymanov, died under mysterious circumstances in the driveway of her own home. However, the case was not investigated to the end: N. Suleymanov received a sentence under a different article. In the credit card sphere, a calm set in for a certain time.

The problem came to light again only in 1994, when 11 cases of misappropriation with the aid of the plastic cards were discovered in Moscow and St. Petersburg. However, the present "plastic" explosion, in the opinion of the chief of the Section on Combatting Crime Committed by Electronic Means of the Main Administration on Economic Crimes (GUEP) of the RF MVD [Russian Federation Ministry of Internal Affairs], Ivan Yeskov, was recorded last year, when 42 criminal cases were filed and 50 persons were arrested. At the same time, the number of episodes of swindling have exceeded 2,500, and the amount of loss has increased by 11 times, comprising over $6 million U.S.

## ELECTRONIC SAFECRACKERS

Everyone in the elite Moscow restaurant, "Patio Pishcha"—from the lowly security guard to the maitre'd—knew the young and elegantly dressed Dmitriy K. and Roman V. Both had always loved to dine in good taste, and enjoyed the culinary art of the chefs. They knew about fine wines. They never skimped on the tip. The young men always paid with credit cards—American Express, VISA, and MasterCard. This went on until the end of March of this year, when the two friends were detained by operative workers of Petrovka, 38, while trying to give the restaurant's cashier a fake American Express credit card.

Already the next day, police managed to identify and detain the organizer of the gang—a certain resident of the capital by the name of Andrey V. The group headed by him specialized in collecting information about real owners of credit cards of international finance companies, and had the appropriate bank data at its disposal. This included information on the expiration dates of the cards and the personal data of their holders, including sample signatures and xerox copies of documents verifying their identify. During the search of Andrey V.'s apartment, a press for imprinting the cards, blanks of the plastic payment documents, and an imprinter which made it possible to quickly and qualitatively imprint the necessary data were all found. Aside from this, copies of actual cards of associates of the embassies of the U.S., Belgium, France, and one of the Argentinian trade firms were found as a result of the search. And the main thing that operative workers found was a stack of blank forms used for making copies of the cards, the so-called payment slips, which are used as financial accounting documents. Using these blanks, the swindlers could embezzle $120,000 U.S. in a very short time. Manipulations with fake credit cards and real unused blanks allowed the swindlers to "run" the slips through for significant sums, and then to exchange them for cash currency through trusted cashiers.

## CRIMINAL MAKES A VISIT TO "VISA"

Last year, the associates of the Economic Crimes Administration of the Moscow GUVD [Internal Affairs Main Administration] exposed a group of swindlers who were acting according to the classic laws. The mutual relations between them were structured in the best traditions of an underground operation. The secret close-knit groups, each of which was headed by a team leader, fulfilled specific assignments of the head man. Moreover, the latter was known only to the team leaders. This circumstance allowed him to easily disappear when mass arrests began. But before doing so, with the aid of fake VISA credit cards and skilled fellow associates he would embezzle more than $500,000 from the accounts of capital banks. We might add that experts of the VISA company in London admitted that they had never before confiscated fake cards of such quality, and that the credit cards had been made on a high technical level.

According to Oleg Stepanov, section chief of the GUEP [Main Administration for Economic Crimes] of the Russian Ministry of Internal Affairs, today both banks and law enforcement agencies should pay particular attention to prevention, so as to reduce to a minimum the possibility of fraudulent use of plastic credit cards

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and cash slips. One of the effective methods remains the so-called stop-list, which is mailed out to clients each week. It lists the information on stolen, forged or suspicious credit cards. Moreover, it summarizes, generalizes and studies all the available material on this problem. However, the most important step in the fight against electronic crime has become the creation of special subsections of this description. Recently in Moscow, St. Petersburg, Yekaterinburg, Stavropol, Krasnodar, Voronezh, Moscow Oblast and other major regions, MVD groups have been formulated which are oriented toward exposing such crimes.

**BLEAK PROSPECTS**

In the opinion of MVD of Russia experts, as the use of credit cards becomes more widespread, the number of crimes associated with their use will also increase. Moreover, it will not be possible to fully and reliably protect the financial system by electronic means. An example of this is the USA, where swindlers, having opened an account, have time to remove money from it several times or to buy goods for a sum which exceeds by many times the amount of the deposit: Electronics is helpless, and the stop-lists arrive late, after the bank has already suffered the loss. Under these conditions, the contact of the bank economic security services and the security of the trade organizations performing credit card operations takes on particular significance. All potential cardholders should be extremely careful in making computations and filling out documents. Otherwise, your current and compact device for financial accounting will turn into a convenient means of enriching scoundrels.

[Begin boxed material]

—Today in Russia, the American Express, VISA International, JCB, EuroCard, Diners Club and certain others are accepted for payment.

—The number of reported cases of credit card fraud in Moscow for the past 5 months has increased by 150 percent as compared with January-May of 1995, while the number of criminal cases on this type of crime has increased by 400 percent.

—Thanks to the cooperation of the economic security services and security services of the trade organizations, and with the aid of operative sources of the militia, a group of swindlers counterfeiting VISA cards was exposed in Moscow.

[End boxed material]

[Caption quote]

**HOW NOT TO BE FOOLED (Advice to credit card holders)**

—First and most simply: Do not part with your plastic credit card under any circumstances. Do not give it, for even a short time, to anyone you do not know.

—Verify the correctness of filling out the "expenditures" column on the payment slips, so that it is impossible to add or change a figure indicating the sum to be deducted from the account.

—Control the process of rolling (imprinting) the slip yourself, so as not to allow the most widespread method of swindling—the so-called double rolling (a dishonest cashier may run the same bill through twice).

[End caption quote]

**Russia: Law Enforcement Humanitarian Fund Examined**

*964F2602A Moscow IZVESTIYA in Russian 16 May 96 p 5*

[Article by Aleksey Chelnokov: "The Humanitarian Fund for the Generals of the Special Services"]

[FBIS Translated Text] Every detective story must have the standard opening. Not to deviate from the laws of the genre, let us begin with the recent jubilee party dedicated to Zhirinovskiy's 50th birthday. Representatives of various peoples and organizations paid tribute to the guest of honor in the Rossiya concert hall. Thus, envoys from the North presented the leader of the LDPR [Liberal Democratic Party of Russia] with reindeer antlers, while the peoples of the Caucasus gave him a white felt coat and hat. Then some citizen came to the podium and, on "behalf of the law enforcement organs," delivered the keys to a car: "Dear Vladimir Volfovich, now that you have a felt coat and a saber, we are giving you 600 horsepower!" (It did not seem possible to roll the car out on the stage, but we assume that the giver meant a Mercedes 600.)

Who is this generous admirer of Zhirinovskiy? And specifically, what right did he have to present something on behalf of the law enforcement organs?

At the party he was introduced as Sergey Sigarev, deputy chairman of the State Duma Committee for Security.

An official document received from the administrative apparatus of the State Duma gives his brief biographical sketch (we will quote it word for word):

Year of birth—1959

Place of birth—Moscow

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Education—post-VUZ professional

Graduated—1995, Moscow Independent Study Humanitarian University

Specialist by education—Master of Law

Academic degree—Doctor of Law

Title—Full member of the International Academy of Sciences of Ecology and Security of Vital Activities, honorary professor

Labor activity—1977-1980, service in the Soviet Army; 1980-1990, work in a series of private companies in Moscow; 1990-1994, president of an industrial corporation of the RF Government Committee on Metallurgy; 1994-1996, president of the Rossiyanin [Citizen of Russia] International Humanitarian Fund of Law Enforcement Organs, in Moscow; 1996-present, acting deputy chairman of the State Duma Committee on Security.

**Milestones of an Unfabricated Biography**

As it turns out, much of what is given in the official biographical information is, putting it mildly, not in conformity with reality. In particular, in the early 1980s, Sigarev did not work "in a series of private companies"—he was a bartender at a restaurant in the Izmaylovo tourist complex.

In 1982 the Pervomayskiy Rayon People's Court in Moscow sentenced him to 5 years incarceration with confiscation of property, and he was barred from holding positions involving records of material assets for another 5 years.

**From the court order on the indictment of M. Ye. Trekhalov (snack shop clerk at the same restaurant) and S. F. Sigarev for commission of the crimes envisioned by Articles 154 and 170 of the RSFSR Criminal Code:**

"While working in the snack shop and bearing full material responsibility for the material assets entrusted to them and in spite of the requirements of official shop instructions to turn in earnings to the cashier each day, out of mercenary interest, they took large amounts out of the shop's earnings, with this money bought alcoholic beverages at retail stores, and then resold them through their shop at restaurant prices, with the objective of making money by taking the difference between retail and restaurant mark-ups."

Sigarev worked the next two years at a numbered establishment, strict-regime correctional colony YaM-401/1. He was placed at the Uvarovokhimstroy [Uvarovo Chemical Construction] Trust for "exemplary behavior." In December 1985, the Uvarovskiy Rayon People's Court freed the future academician. "He maintained the proper attitude with the administration of the special team. He took an active part in the life of the detachment," wrote V. S. Dobrovolskiy, chief of special team No 6 of the Uvarovo GROVD [city-rayon internal affairs department] in his report on Sigarev.

Unfortunately, the released man did not justify the trust of the court; he did not take up the path of rehabilitation. On 31 December 1987 (at that time Sigarev, as confirmed in his reference letter, was already working as an electrician in an administration that specialized in the repair and adjustment of smoke removal systems and automatic fire safety equipment), the Kuntsevskiy RUVD [Rayon Internal Affairs Administration] in Moscow brought criminal charges against him and a certain Krapivin. They were accused of swindling.

**From the indictment in criminal case No N8234:**

"On 20 July 1987, N. P. Krapivin, in premeditated conspiracy with and in the company of S. F. Sigarev, made the acquaintance of citizens T. D. Dubnyuk and N. S.Murseyeva under the pretext of buying scarce imported furniture for them, won and then abused the confidence of citizens T. D. Dubnyuk and N. S. Murseyeva, and seized a total of 20,000 rubles [R], causing the victims significant harm."

One of the victims asked Krapivin about the furniture, and he advised her to "take a cold shower." And when the "demands" of the woman became more insistent, he answered in street talk: "Sigarev set you up, and I followed through. Forget your money."

In the course of the investigation, it came out that "Sigarev had committed more than one act of swindling in relation to citizens previously. Among others, there is the statement of N. D. Borisov in which the latter states that Sigarev refused to repay a debt of R500 borrowed earlier or to pay for automobile tires with a total value of R400."

To make it easier to trick his gullible victims, Sigarev presented himself as a graduate of the law school at MGIMO [Moscow State Institute of International Relations] or an associate of the Kuntsevskiy Rayon Ispolkom. He would hint very seriously at certain connections among highly-placed employees of law enforcement organs and also among stage stars.

He was very reluctant to visit the investigator, and then completely disappeared. On 31 December 1988, an all-Union search was declared for Sigarev.

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**A Fund With Bad Heredity**

To give truth its due, we must say that Sigarev was able to get off at that time. It remains a mystery to us, but one way or another, in May 1989 investigator A. Petrov closed criminal file No 8234 relating to Sigarev. His partner in crime Krapivin was sent off to those not-so-distant places to take the rap for him.

Some six months later, if we believe the biographical sketch, Sigarev took charge of an "industrial corporation under the Committee on Metallurgy under the RF government [Roskommetallurgiya—RF Committee on Metallurgy]." "That is impossible," the people at Roskommetallurgiya said concerning this. "There has never been such a corporation under our committee, and this is the first we have heard of Sigarev."

The only true information in the biography, other than service in the army, proved to be that until recently Sigarev was indeed president of the Rossiyanin International Humanitarian Fund of Law Enforcement Organs. Perhaps it was from this fund's money that the "horsepower" was bought for the felt-coated Zhirinovskiy.

Before answering let us make a small digression from the topic to tell about the formation and first years of the Rossiyanin Fund.

The fund was established in 1992 at the initiative of a group of citizens of Kyrgyzstan, Russians who intended to resettle to Russia. Formally the founders were the Historical Enlightenment Fund imeni P. Struve and the Moscow History-Political Science Center, organizations close to the Russian National Union (RONS). The idea was noble, in the best patriotic sense: taking advantage of the potential of a structure formed in Moscow, find land for displaced persons as well as sources for financing their resettlement.

A certain Konstantin Miroshnikov was elected president of the fund, and he chose among his deputies a fateful figure for the fund—Ivan Starostin, general director of the AO [joint-stock company] TsIOVT.

This man was charged with conducting "foreign economic activity." Starostin won people over with his respectable appearance and hints of strong connections in the highest spheres. At the founding meeting, he promised that the fund's account would be receiving money immediately "from the Russian communities in Canada, Argentina, the United States, Germany, and Italy, as well as from commercial organizations and the founders."

But Rossiyanin began its activities by collecting money from displaced persons. More than 1,000 Russian residents of Kyrgyzstan transferred one month's pay apiece to Viktor Grinenko, the fund's representative in the republic. He sent the money to Miroshnikov by registered mail. Part of it went to lease an office and apartment for the president of the fund. Starostin spent the rest of the money for his trips to Europe.

In late 1992, Aleksey Kibalchich, the alarmed chairman of the Rossiyanin auditing commission, demanded that Miroshnikov submit accounting and financial documents on fund activities. There was no response. Then he turned to the Moscow GUVD [City Internal Affairs Administration].

**From the explanation of Tatyana Osipova, chief accountant of the fund, to the investigator:**

"To this day no financial activity has been conducted, and no financial documents have been signed by me. There has been no revenue in the current account at the bank."

Starostin was able to divert the approaching scandal at that time. The deceived displaced persons were thousands of kilometers from Moscow, and functionaries from RONS, including Kibalchich, proved incapable of punishing the swindler.

The former leadership of the fund was gradually supplanted. Miroshnikov returned to Kyrgyzstan. And in mid-1993, Starostin became acting president of Rossiyanin. Freed from all control, he began to collect money from residents of Moldova and the Baltic Region. In Germany he concluded fictitious agreements to deliver rare earth metals.

In the fall of 1994, Starostin was arrested and charged with "swindling by collecting money supposedly to build housing for military servicemen transferred from the groups of forces in Germany and the Baltic Region."

By decision of the fund's council of directors, Sigarev was appointed acting president of Rossiyanin.

**Behind the General's Back**

The years 1989-1994 are the most puzzling in the biography of the academician, honorary professor, and deputy of the State Duma. It is known that he began living with a wealthy German woman, a certain Bemoleit. That supposedly he received his "primary capital" from her. He was often seen in the company of Nikolayev, the stage singer.

Sigarev came into the field of view of law enforcement again in 1991. According to operational information, at that time he tried to organize the shipment of antiques and precious items abroad. At the same time, he took part in sending "live goods" to houses of pleasure in Singapore.

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Then, as if by the wave of a magic wand, his business suddenly soared several steps higher. Sigarev turned up in the leadership of the AOZT [closed-type joint stock company] Nova Import, which shipped nonferrous metals and petroleum products abroad.

And it was as an already successful businessman that he took over the Rossiyanin Fund. The fund office moved to the luxurious mansion where Fidel Castro always used to stay. And the personnel of Rossiyanin changed completely. With the arrival of Sigarev, the office was filled with respectable men of military bearing—former employees of the GRU [Main Intelligence Directorate], FSB [Federal Security Service], and other special services.

Vadim Gorin, who was discharged from counterintelligence in 1993, became vice president and one of the founders of the fund, and Yuriy Korablev, a former GRU colonel, became chief of its security service.

The fund's main creditor became LUKoyl Invest, and its main debtor was Nova Import. The businessmen's spheres of interests remained as before—metals and oil. In August 1995, the leadership of Rossiyanin offered their services to the director of the AO Kombinat Severonikel [Northern Nickel Combine] "to ensure the security of the combine, and to render assistance in commercial activities." The Rossiyanin people confirmed in talks that "the fund is directed by former senior officers in the law enforcement organs" and that "with them the combine will be as safe as a babe in its mother's arms."

It was also at about that time that Sigarev again came into the field of view of the law enforcement organs. His name surfaced when the GUOP [Main Administration for the Fight Against Organized Crime] of MVD RF [RF Ministry of Internal Affairs] was inspecting a certain large investment project. The foreign side was represented by the American companies Andigo & Company Corporation and Fidelidad y Garantia International S.A., as well as the Indian firm Juhi Enterprises [titles given in Roman letters]. The Rossiyanin International Humanitarian Fund of Law Enforcement Organs was particularly active in the project on the Russian side. It turned out that these companies were not registered in the industrial-trade registries of their countries, and that their legal addresses were fabricated.

It was then too that a search was conducted of the Rossiyanin office. Dozens of counterfeit documents with the acronyms MVD and FSB RF which gave their owner the right to keep and bear arms were confiscated. There also they found military radio sets and blinking beacons which current, but not former, employees of law enforcement organs are permitted to use. It was also found that the fund's leadership was using so-called special coupons that exempt the bearer from any road inspections, even a vehicle check.

The elements of a crime were present, and criminal file No 048623 was opened against Korablev, chief of the security service. The charge was forging documents. It is true that the file was quickly closed for rather unclear reasons. Korablev was transferred to the Rossiyanin labor collective for probation.

The law proved not to be written for fund president Sigarev either. Furthermore, during the inspection of his activities, it became clear that his record sheets containing information about his criminal past had mysteriously disappeared from the information systems of the MVD RF (main and backup information centers). Under the law, these records are to be kept indefinitely, and a militsia officer who takes them is committing an official crime.

This means that behind the president of Rossiyanin stood someone in general's epaulets who sniffed at the law from his high place. And even the risk of losing his job did not stop this "someone." For whose sake and for what reason? For Sigarev himself? It is doubtful, considering the stages of his labor activity. He did his job and went off to the Duma to leadership work. Incidentally, Sigarev was a candidate from the LDPR; the election lists of the Liberal Democrats, of course, are like the "eye of a needle" through which even a camel will get into the State Duma if only he has a fat wallet.

A single interest remains—money, and evidently enormous amounts of money which feed you in old age, bring your grandchildren "into society," and leave enough to give Zhirinovskiy a Mercedes.

**Humanitarian Aid From the State Budget**

The charter of the Rossiyanin Fund states that its "primary purpose is nonbudget financing and socioeconomic support of the personnel of structures of the SVR [Foreign Intelligence Service], FSK [Federal Counterintelligence Service], Border Troops, tax police, procuracy, customs, MVD, and internal security troops."

**Nonbudget financing means, as is clear from another document, the following:**

"...The fund could be, for many commercial structures which do not want to pay or cooperate with criminal groups, a realistic alternative to work with 'informal structures.'"

**"The most interesting lines of action are:**

"1. Oil refining (petroleum products and petrochemicals).

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"2. Ferrous and nonferrous metallurgy.

"3. Transport (cooperation with the Ministry of Railroads in exporting finished products from plants and transshipping this freight at seaports in Russia and the CIS countries).

"4. Financial operations with the debts of foreign countries to the former USSR (India, China, Egypt, Vietnam, and others).

"5. Formation of special groups composed of specialists discharged into the reserve for the security services of commercial structures on a contract basis."

Certainly, this business looks more like creating "protection" for entrepreneurial structures; this could be ignored if it were a question of aid to casualties and families of persons killed in Chechnya. The Rossiyanin Fund does indeed render humanitarian aid. There are 17 organizations on the list of departments that have received food products and medications from the fund. Among them are the Internal Troops of the MVD RF, the Federal Border Service, the Military Counterintelligence Directorate of the FSB RF for Moscow Oblast, and for some reason, the Economic Freedom Party.

The fund leadership loves to show off dozens of letters of gratitude, from the directors of the RF tax police, the Moscow GUVD, the Cosmonaut Training Center, and others. Sigarev is called "academician" and "doctor of law" in them (although, as the State Committee for Higher Education confirms, all his diplomas, including master of law, are nothing but sheets of paper).

In all, judging by report documents, the fund has rendered R2.782 billion of humanitarian aid.

How was this money received? Here is one of the known cases.

**From Letter No 13-5-2/656 of the Minister of Finance, dated 7 May 1996:**

"In connection with the fact that the RF president's Decree No 244 dated 6 March 1995 and entitled 'On Declaring the Loss of Force and Repeal of Decisions of the RF President Granting Customs Privileges' envisioned development of steps to compensate for the losses of subjects of economic relations who previously had customs privileges.

"As a result of steps taken, 912,890 U.S. dollars, or R4.1902 billion at the exchange rate on the day of payment, was transferred to the Rossiyanin International Humanitarian Fund of Law Enforcement Organs for these purposes in 1995."

It turns out that this budget sharing more than covers all of Rossiyanin's "philanthropy." And hundreds of thousands of dollars remain which do not enter into the documentation. (Perhaps the answer to the riddle of the source of the Mercedes for Zhirinovskiy lies concealed here?)

**Generals Do Not Request, They Give Notice**

It is not impossible that the "remainder" was distributed to other subheadings and programs. In the fund's list of names under the column for "FSB RF, Military Counterintelligence Directorate," for example, there are six associates of the special service who "received wounds." Among them is Major General G. V. Karpov, chief of this directorate. It was easy to verify that Karpov did not receive any wounds last year, nor did a fragment from a Chechen grenade rip into his body. What deprivations then were the cause for his receiving "humanitarian aid"?

Perhaps another document will suggest an answer. This is letter No 132 dated 18 March 1996 and signed by Karpov. He is writing to the head of the Russian Bureau on Matters of International Humanitarian and Technical Aid under the RF Government:

"The FSB RF Directorate for the Moscow Military District has concluded a contract in the amount of 5 million U.S. dollars with the Rossiyanin International Humanitarian Fund of Law Enforcement Organs for outright transfer of food and medications being received by the fund from the Eletech KFT Company [title in English].

"The FSB RF Directorate for the Moscow Military District is assuming control over performance of the contract concluded with the Rossiyanin Fund."

It is hard to imagine how many cans of food and aspirins you can buy for $5 million. You have the feeling that all the military counterintelligence personnel of Moscow Oblast had fallen on the field of battle.

It is also surprising that the general does not even ask that the $5 million shipment be declared humanitarian, as should be done under the rules. He simply gives the government humanitarian aid commission notice of the fact.

Gennadiy Zhukov, chief of the administration for humanitarian aid projects and programs, explained the normal procedure for formalizing such requests:

"If the value of the shipment of humanitarian aid exceeds 20,000 ECU's (about 25,000 U.S. dollars), the recipient must request that our commission declare this shipment humanitarian, which exempts the recipient from customs fees and taxes. The commission is headed by minister of foreign economic relations Oleg Davydov, and its members include representatives of the

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MVD, FSB, Ministry of Health, Ministry of Social Protection, and public and religious organizations, about 40 people in all."

Humanitarian aid must be transferred without charge, and only part of it can be sold to compensate for "overhead expenditures." Law enforcement organs check to make sure it is not carried off by swindlers.

It appears that Karpov himself receives the humanitarian aid and controls the process himself.

On the subject of Rossiyanin, Zhukov spoke evasively:

"The documents presented by the fund are not convincing. From them you cannot say how much money was earned from the sale of humanitarian aid and how much was spent on the rehabilitation center."

He was referring to the fund's latest "program," which is significantly bigger than previous ones. This was a contract concluded on 25 January 1996 between Rossiyanin and the RF Federal Border Service represented by deputy director Nikolay Bordyuzhi.

The Fund assumed the "obligation to pay the cost of medical equipment according to the contracts of intentions concluded between v/ch [Military Unit] 2405 and GPVT [possibly, state planning and reconstruction trust] Zdraveksport [Health Export] and between v/ch 2405 and the AO Infomedia in a total amount of $45.9 million."

At almost the same time, the president of the Rossiyanin council made a request of RF minister of finance Vladimir Panskov for "target financing of our fund to carry out the above-mentioned program."

The natural question arose at the Ministry of Finance: why wouldn't the Federal Border Service address the Ministry directly, without middlemen? Especially when the reputation of this International Humanitarian Fund of Law Enforcement Organs is more than doubtful.

But generals give notice, demand, and write raging letters to all levels of offices. In human terms, one can probably understand them.

Sergey Sigarev is just a puppet backed by active-duty generals of the special services. Judging by the bold and open way they operate, they have complete confidence that they are untouchable. But nonetheless, we are not closing this story.

[Box]

**One of the Documents Confirming the Close Contacts Between the Special Services and the Rossiyanin Fund**

RF Federal Security Service Directorate for the Moscow Military District

No 132/OK, City of Moscow, 18 March 1996

To: Yu. D. Saltanov, head of the Russian Bureau for Matters of International Humanitarian and Technical Aid Under the Government of Russia

Esteemed Yuriy Pavlovich,

The FSB RF Directorate for the Moscow Military District has concluded a contract in the amount of 5 million U.S. dollars with the Rossiyanin International Humanitarian Fund of Law Enforcement Organs for outright transfer of food and medications being received at the fund's address from the [handwritten] Eletech KFT Company.

The FSB RF Directorate for the Moscow Military District is assuming control over performance of the contract concluded with the Rossiyanin Fund.

Respectfully,

Chief of the FSB RF Directorate for the Moscow Military District, [signature] Lieutenant General G. V. Karpov

**Russia: Law on National-Cultural Autonomy**

*964F2660A Moscow ROSSIYSKAYA GAZETA 25 Jun]*

[Text of Russian Federation Federal Law: "On National-Cultural Autonomy," adopted by the State Duma on 22 May 1996 and approved by the Federation Council on 5 June 1996. Signed by President of the Russian Federation B. Yeltsin on 17 June 1996 in Moscow, No 74-FZ]

[FBIS Translated Text] The present federal law defines the legal principles of national-cultural autonomy in the Russian Federation, and creates legal conditions for interaction of the state and society for protection of the national interests of citizens of the Russian Federation in the process of their selection of the means and forms of their national-cultural development.

**CHAPTER I. GENERAL PRINCIPLES**

**Article 1. Concept of national-cultural autonomy**

National-cultural autonomy in the Russian Federation (henceforth referred to as national-cultural autonomy) is a form of national-cultural self-determination, which represents a social unification of citizens of the Russian Federation who relate themselves to specific ethnic

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communities, on the basis of their voluntary self-organization for purposes of independent resolution of the questions of preserving their distinctiveness and development of their language, education and national culture.

**Article 2. Principles of national-cultural autonomy.**

National-cultural autonomy is based on the following principles:

—free expression of will of citizens in relating themselves to a specific ethnic community;

—self-organization and self-government;

—multiplicity of forms of internal organization of the national-cultural autonomy;

—combination of social initiative with state support;

—respect for language, culture, traditions and customs of citizens of various ethnic communities;

—legality.

**Article 3. Legal status of national-cultural autonomy**

Formation and activity of a national-cultural autonomy are regulated by the present federal law, other federal laws adopted in accordance with it, appropriate statutes of the constitutions (charters), laws and other standard legal statutes of subjects of the Russian Federation, and also by the generally recognized principles and standards of international law and international treaties of the Russian Federation in the sphere of provision of rights and freedoms of man and citizen.

If an international treaty of the Russian Federation establishes rules other than those specified by the present federal law, the rules of the international treaty shall be applied.

**Article 4. Rights of national-cultural autonomy**

A national-cultural autonomy has the right:

—to receive support from the agencies of state power and agencies of local self-government necessary for preserving national distinctiveness and developing the national (native) language and national culture;

—to appeal to agencies of the legislative (representative) and executive branches or the agencies of local state government, representing their national-cultural interests;

—to create mass media in accordance with the procedure specified by the Russian Federation legislation, and to obtain and disseminate information in the national (native) language;

—to preserve and enrich the historical and cultural heritage, and to have unrestricted access to national cultural treasures;

—to follow national traditions and customs, and to revive and develop artistic folk crafts and trades;

—to create educational and scientific institutions and institutions of culture, and to ensure their functioning in accordance with the legislation of the Russian Federation;

—to participate through their authorized representatives in the activity of international non-governmental organizations;

—to establish, on the basis of the Russian Federation legislation, and to support humanitarian contacts with citizens and social organizations of foreign states, without any discrimination whatsoever.

The federal laws and the constitutions (charters) and laws of subjects of the Russian Federation may also grant other rights to national-cultural autonomies in the sphere of education and culture.

Participation or non-participation in the activity of a national-cultural autonomy cannot serve as grounds for limitation of rights of citizens of the Russian Federation, just as national affiliation may not serve as grounds for limitation of their participation or non-participation in the activity of the national-cultural autonomy.

The right to national-cultural autonomy is not a right to national-territorial self-determination.

Implementation of the right to national-cultural autonomy must not infringe upon the interests of other ethnic communities.

**Chapter II. System of National-Cultural Autonomy. Procedure for Instituting and Registering a National-Cultural Autonomy**

**Article 5. Organizational principles of national-cultural autonomy**

The organizational principles of a national-cultural autonomy are defined by the specifics of demographic location of citizens of the Russian Federation who relate themselves to various ethnic communities, and by the charters of the national-cultural autonomies.

National-cultural autonomies may be local (city, rayon, settlement, village), regional or federal.

Local national-cultural autonomies may form a regional national-cultural autonomy. If only one local national-cultural autonomy of citizens of the Russian Federation relating themselves to a certain ethnic community has

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been created within the boundaries of a subject of the Russian Federation, the national-cultural autonomy may acquire the status of a regional national-cultural autonomy.

Regional national-cultural autonomies of two or more subjects of the Russian Federation may create bodies for inter-regional coordination of their activity. Such bodies are not inter-regional national-cultural autonomies.

Federal national-cultural autonomies of citizens of the Russian Federation who relate themselves to a specific ethnic community may be formed by regional national-cultural autonomies of two or more subjects of the Russian Federation. If only one regional autonomy of citizens of the Russian Federation who relate themselves to a specific ethnic community has been created within the boundaries of the Russian Federation, this national-cultural autonomy may acquire the status of a federal national-cultural autonomy.

Federal and regional national-cultural autonomies of citizens of the Russian Federation relating themselves to specific ethnic communities having an appropriate republic or autonomous okrug, autonomous oblast and agencies of state power of subjects of the Russian Federation may coordinate their activity, participate in the development of federal and regional programs in the sphere of preserving and developing their national (native) languages and national culture on the basis of mutual agreements and treaties of federal, regional national-cultural autonomies and subjects of the Russian Federation.

**Article 6. Procedure of formation, registration, re-organization and (or) liquidation of national-cultural autonomy**

A national-cultural autonomy is instituted in accordance with the legislation of the Russian Federation and with consideration for the specifics of the national-cultural autonomy specified by the present federal law.

Local national-cultural autonomies are instituted at general meetings (conferences) by delegates of national public associations.

Regional national-cultural autonomies are instituted at conferences (congresses) by delegates of the local national-cultural autonomies.

Federal national-cultural autonomies of citizens of the Russian Federation who relate themselves to a specific ethnic community are instituted at congresses by delegates of regional national-cultural autonomies.

National-cultural autonomies form the bodies of internal administration. The order of formulation, functioning and names of such bodies are determined by the national-cultural autonomies independently, in accordance with the Russian Federation legislation on public associations.

Registration of a national-cultural autonomy is performed at the judicial agency in accordance with the procedure specified by the Russian Federation.

For registration of national-cultural autonomies, documents must be submitted which confirm that no less than 3 months prior to holding the constituent meeting (conference, congress), announcements of the upcoming institution of the national-cultural autonomy appeared in the mass media or were publicized in some other manner.

The judicial agency which adopts the decision on registration of a national-cultural autonomy sends the data on registration within 10 day's time to the appropriate agency of the executive branch of the Russian Federation on affairs of nationalities, for inclusion in the register of national-cultural autonomies.

The register of national-cultural autonomies is open for general inspection.

Registration, re-organization and (or) liquidation of a national-cultural autonomy is performed in accordance with the procedure specified by the Russian Federation legislation on public associations.

**Article 7. Consultative councils on affairs of national-cultural autonomies under the Government of the Russian Federation, agencies of the executive branch of subjects of the Federation and agencies of local self-government.**

A Consultative Council on Affairs of National-Cultural Autonomies shall be created within the Russian Federation Government. It shall be a consultative body and shall act on a voluntary basis.

The Consultative Council on Affairs of National-Cultural Autonomies under the Government of the Russian Federation:

—performs coordination of activity of the national-cultural autonomies, and promotes the establishment and strengthening of relations between them;

—represents and defends the cultural and social interests of ethnic communities within the agencies of state power of the Russian Federation;

—participates in the preparation of federal programs in the sphere of preserving and developing national (native) languages and national cultures, and drafts of standard legal statutes, as well as in the preparation of other

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decisions affecting the rights and lawful interests of citizens of the Russian Federation who relate themselves to certain ethnic communities;

—provides consultation for the Government of the Russian Federation and federal agencies of the executive branch on national problems of citizens of the Russian Federations who relate themselves to certain ethnic communities.

The Consultative Council on Affairs of National-Cultural Autonomies under the Government of the Russian Federation consists of representatives of each federal national-cultural autonomy, which have been delegated for a specified term.

The order of formation, activity and liquidation of the Consultative Council on Affairs of National-Cultural Autonomies under the Government of the Russian Federation is determined by the Government of the Russian Federation.

Consultative councils or other consultative agencies on affairs of national-cultural autonomies may be created under agencies of the executive branch of subjects of the Russian Federation. The procedure of formation, activity and liquidation of these agencies is defined by the agencies of the executive branch of subjects of the Russian Federation.

Consultative councils or other consultative agencies on affairs of national-cultural autonomies may also be created under the agencies of local self-government of the appropriate municipal formations. The procedure of formation, activity and liquidation of these agencies is defined by the standard legal statutes of the municipal formations.

## Chapter III. Provision of Right to Preservation, Development and Use of National (Native) Language

### Article 8. State protection of national (native) languages

The Russian Federation ensures social, economic and legal protection of national (native) languages on the territory of the Russian Federation.

The right of citizens of the Russian Federation to preservation and development of their national (native) language, freedom of choice and use of the language of communication, upbringing and education is established by the Constitution of the Russian Federation, the federal laws, the constitutions (charters) and laws of subjects of the Russian Federation, and by the present federal law.

### Article 9. Provision of right to preservation and development of the national (native) language

The agencies of state power of the Russian Federation and the agencies of state power of subjects of the Russian Federation:

—ensure provision of state policy aimed at protecting and developing national (native) languages;

—provide financial (at the expense of funds of appropriate budgets and extra-budgetary funds), organizational and other support of national-cultural autonomies in development and realization of state programs in the sphere of preserving and developing national (native) languages.

Federal agencies of the executive branch and agencies of the executive branch of subjects of the Russian Federation assist national-cultural autonomies in:

—publication of books, issuance of the periodical press, organization of television and radio broadcasting, creation of mass media in the Russian as well as in the national (native) languages;

—exchange of television and radio programs, audio- and video materials, printed matter in the national (native) languages between subjects of the Russian Federation, and likewise between the Russian Federation and foreign states.

### Article 10. Right to receive a basic general education in the national (native) language and to choose the language of upbringing and education

Citizens of the Russian Federation who relate themselves to certain ethnic communities have the right to receive their basic general education in their national (native) language and to choose the language of upbringing and education within the scope of the capacities presented by the system of education, in accordance with the legislation of the Russian Federation and the legislation of subjects of the Russian Federation.

### Article 11. Provision by national-cultural autonomies of right to receive basic general education in the national (native) language and to choose the language of upbringing and education

For purposes of ensuring the right to receive a basic general education in the national (native) language and to choose the language of upbringing and education, national-cultural autonomies may:

—form non-state (public) pre-school institutions and groups within such institution for upbringing in the national (native) language;

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—create non-state (public) educational institutions (general educational; primary, secondary and higher vocational education) which offer instruction in the national (native) language;

—institute other non-state (public) educational institutions which offer instruction in the national (native) language;

—with participation of subordinate educational institutions, develop instructional programs, public textbooks, methodological aids, or other instructional literature necessary for ensuring the right to receive an education in the national (native) language;

—submit proposals to the federal agencies of the executive branch, the agencies of the executive branch of subjects of the Russian Federation, and the agencies of local self-government on creation of:

classes and instructional groups within state or municipal educational institutions offering instruction in the national (native) language;

state and municipal educational institutions with instruction in the Russian language and in-depth study of the national (native) language, as well as the national history and culture;

—participate in the development of state educational standards, and likewise exemplary programs for state and municipal educational institutions with instruction in the national (native) language and other languages;

—organize training and re-training of pedagogical and other cadres for non-state (public) educational institutions;

—conclude agreements with non-governmental organizations outside the boundaries of the Russian Federation on creating conditions for realization of the right to receive an education in the national (native) language, and specifically agreements on training pedagogical cadres, and on provision of scientific-methodological, instructional or artistic literature, and audio-visual means of instruction in the national (native) language;

—implement other measures, in accordance with the legislation of the Russian Federation and the legislation of subjects of the Russian Federation, on ensuring the right to receive instruction in the national (native) language and to choose the language of upbringing and education.

Non-state (public) educational institutions which offer instruction in the national (native) language provide instruction in the Russian language as the state language of the Russian Federation in accordance with the legislation of the Russian Federation and state educational standards, as well as instruction in the state languages of subjects of the Russian Federation in accordance with the legislation of these subjects.

**Article 12. Provision by the federal agencies of the executive branch and by agencies of the executive branch of subjects of the Russian Federation of the right to receive basic general education in the national (native) language and to choose the language of upbringing and education**

Federal agencies of the executive branch and agencies of the executive branch of subjects of the Russian Federation, in accordance with the legislation of the Russian Federation and the legislation of subjects of the Russian Federation on languages of the peoples of the Russian Federation and on education, and in accordance with the present federal law:

—ensure, if necessary, the creation of groups in state and municipal pre-school institutions, classes or instructional groups in state or municipal educational institutions which offer instruction in the national (native) language;

—with consideration for the proposals of the national-cultural autonomies and the specific conditions of the region, create state educational institutions which offer instruction in the national (native) language and in the Russian language with in-depth study of the national (native) language, the national history and culture, and likewise institutions for supplemental education (Sunday schools, faculties, cultural-educational centers and other educational institutions) for the study and propaganda of national (native) languages and national cultures;

—assist in the development, publication and acquisition of instructional programs, textbooks, methodological study aids and other instructional literature necessary for instruction in the national (native) language;

—implement financing of measures aimed at ensuring the right to receive education in the national (native) language in state and municipal educational institutions, at the expense of the appropriate budgets and extra-budgetary allocations within the limites of the funds allocated for education;

—predominantly upon recommendation of national-cultural autonomies, organize the training, re-training and advanced training of pedagogical and other cadres for educational institutions performing educational activity in the national (native) language or other languages, including on the basis of agreements between subjects of the Russian Federation and inter-state agreements;

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—provide material, legal, organizational and other aid to national-cultural autonomies in creation of non-state educational institutions and development of other forms of upbringing and education in the national (native) language.

**Chapter IV. Provision of the Right to Preservation and Development of the National Culture**

**Article 13. Provision by national-cultural autonomies of the right to preservation and development of the national culture**

For purposes of ensuring the right of citizens of the Russian Federation who relate themselves to specific ethnic communities to the preservation and development of their national culture, national-cultural autonomies may:

—create non-state (public) institutions of national culture: Theatres, cultural centers, museums, libraries, clubs, studios, archives and other institutions of culture, and provide for their functioning;

—organize artistic unions, collectives for professional and amateur art, and special interest groups for study of the national cultural heritage and achievements of national culture;

—implement mass measures in the sphrere of national-culture: Festivals, competitions, displays, exhibits and other measures;

—promote the organization of national regional studies programs, the protection of national monuments to history and culture; create regional studies, ethnographic and other public museums;

—found organizations engaging in artistic folk crafts and trades;

—publish works of historical, artistic, musical, folklorical and ethnographic literature in the national (native) and other languages;

—create non-state (public) educational institutions for training artistic workers, pedagogical and other cadres in the sphere of national culture;

—develop and submit to the approprate agencies of state power and agencies of local self-government proposals on preservation and development of the national culture;

—conclude agreements with non-governmental organizations located outside the boundaries of the Russian Federation on cultural exchange and cooperation in the sphere of preservation of national culture.

**Article 14. Provision of right to preservation and development of national culture by the federal agencies of the executive branch and agencies of the executive branch of subjects of the Russian Federation**

The federal agencies of the executive branch and agencies of the executive branch of subjects of the Russian Federation, in accordance with the legislation of the Russian Federation and the leiglsation of subjects of the Russian Federation on culture, and in accordance with the present federal law:

—take into consideration the proposals of the national-cultural autonomies in developing and implementing federal and regional programs for national-cultural development;

—review proposals of national-cultural autonomies on including courses on the study of history, culture, ethnography, traditional types of labor activity, and artistic folk crafts and trades in the state educational standards for educational institutions which provide educational programs in the national (native) language, and adopt the appropriate decisions;

—direct the activity of state and municipal institutions of culture toward meeting national-cultural needs;

—organize appropriate sections within the system of state and municipal archives on the culture, history and social life of citizens of the Russian Federation who relate themselves to specific ethnic communities;

—provide assistance to national-cultural autonomies in creating non-state (public) institutions of national culture, in founding non-state (public) educational institutions for training artistic workers and other specialists, and in conducting various mass measures in the sphere of national culture;

—ensure the safekeeping of monuments of history and culture which are valuable for citizens of the Russian Federation who relate themselves to certain ethnic communities, and which are a part of the cultural heritage of the Russian Federation;

—implement other measures to create conditions for preservation, rebirth and development of national culture and to realize the national-cultural rights of citizens of the Russian Federation who relate themselves to certain ethnic communities.

**Article 15. Provision by agencies of state power of the right of national-cultural autonomies to publicize their activity in the mass media**

State audio-visual means of mass information shall provide air time to national-cultural autonomies. The periodicity and duration of the broadcasts and the language in which these broadcasts are conducted are determined

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by agreements with the founders and editorial offices of the television and radio programs.

The agencies of state power of the Russian Federation and the agencies of state power of subjects of the Russian Federation shall support and encourage non-state mass media which provide national-cultural autonomies the opportunity to illuminate their activity on a non-compensatory basis.

The federal programs of financial and organizational support of the mass media provide for aid to mass media of the national-cultural autonomies.

The programs of subjects of the Russian Federation and local programs of financial and organizational support of the mass media may provide for aid to mass media of national-cultural autonomies.

**Chapter V. Financial-Economic Basis of National-Cultural Autonomy**

**Article 16. Principles of financing national-cultural autonomies**

Financing activity associated with the realization of rights of national-cultural autonomies is performed at the expense of funds of:

—national-cultural autonomies, their institutions and organizations, and private individuals;

—the federal budget, budgets of subjects of the Russian Federation, and local budgets.

For these purposes, special federal, regional and local funds may be formulated.

Financial means are granted to national-cultural autonomies for financing socially significant programs for national-cultural development, for implementing measures in the sphere of culture and education, and for charitable measures. Receipt of funds from extra-budgetary sources does not constitute grounds for reducing budget allocations directed toward national-cultural development in accordance with the procedure specified by the present federal law.

**Article 17. Ownership by national-cultural autonomies**

National-cultural autonomies have the right of ownership in accordance with Russian Federation legislation.

**Article 18. Property of national-cultural autonomies**

Federal agencies of the executive branch, agencies of the executive branch of subjects of the Russian Federation, and agencies of local self-government may hand over to national-cultural autonomies, their non-commercial institutions and organizations, state and municipal property for ownership or lease in accordance with the procedure established by the legislation of the Russian Federation and the legislation of subjects of the Russian Federation.

For the purpose of implementing the charter purposes and activity of national-cultural autonomies, their non-commercial institutions and organizations may utilize buildings handed over to them on conditions of a lease agreement.

The amount of lease payment for buildings, paid by national-cultural autonomies and their non-commercial institutions and organizations, is determined in accordance with the procedure established for non-commercial organizations of culture and education on the territory of the given subject of the Russian Federation, and likewise in accordance with the Civil Code of the Russian Federation, other federal laws, and laws and other normative legal statutes of subjects of the Russian Federation.

**Article 19. Financial support of national-cultural autonomies by the state and local self-government**

For purposes of preserving national distinctiveness, developing the national (native) language and national culture, and realizing the national-cultural rights of citizens of the Russian Federation who relate themselves to certain ethnic communities, the federal agencies of the legislative and executive branches and the agencies of the legislative (representative) and executive branches of subjects of the Russian Federation:

—provide in the federal budget, and likewise in the budgets of subjects of the Russian Federation, allocations for giving support to national-cultural autonomies;

—consider national needs in formulation and expenditure of federal funds for regional development;

—create special federal and regional funds for national-cultural development;

—grant national-cultural autonomies benefits on taxes, fees and credits in accordance with the legislation of the Russian Federation and the legislation of subjects of the Russian Federation.

The agencies of local self-government resolve questions of financial support of local national-cultural autonomies in accordance with the legislation of the Russian Federation on local self-government.

**Article 20. Basic conditions for granting state financial support to national-cultural autonomies**

Federal agencies of the executive branch and agencies of the executive branch of subjects of the Russian

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Federation provide financial support to national-cultural autonomies, as specified in Article 19 of the present federal law, under the condition that these funds have a special-purpose character and may be used only for specific measures. If necessary, such support is provided on the basis of agreement with the appropriate national-cultural autonomy.

The selection of programs and projects for national-cultural development for state financing is performed by the agencies of the executive branch of subjects of the Russian Federation, with participation of representatives of the national-cultural autonomies.

Federal financial agencies and financial agencies of subjects of the Russian Federation implement control over the application of the granted funds in accordance with their designated purpose. National-cultural autonomies are obligated, in accordance with the established procedure and in a timely manner, to submit a report on the expenditure of the state funds received by them. If the financial means from state financial support are not used for their designated purpose, the leaders of the national-cultural autonomies bear responsibility in accordance with the established procedure.

**Chapter VI. Concluding Principles**

**Article 21. On implementation of the present federal law**

The present federal law shall become effective from the day of its official publication.

[Signed] President of the Russian Federation B. YELTSIN

Moscow, the Kremlin
17 June 1996
No 74-FZ

## Military & Space Issues

### Russia: GRU Colonel Sentenced in Explosives Theft

*964F2564A Moscow IZVESTIYA in Russian 7 Jun 96 p 6*

[Article by Igor Korolkov: "For Whom Did the GRU Colonel Work?: This Has Remained a Secret"]

[FBIS Translated Text] The trial has ended in relation to Col Vladimir Kuznetsov of the GRU [Main Intelligence Directorate]. He was found guilty of theft of explosive ordnance from depots of the Ministry of Defense and the court of Moscow Military District sentenced him to seven years imprisonment.

On 26 March of this year, IZVESTIYA wrote about the start of the trial. I will remind you of the essence of the case. Colonel Kuznetsov, a specialist on explosive devices, was arrested by the General Procurator's Office in November 1994 on suspicion of the murder of the journalist Dmitriy Kholodov. These suspicions were not confirmed but the investigation revealed that the colonel stole about 80 kg of explosives from depots.

The colonel explained the thefts by saying that he was forced into doing this by people from criminal structures having to do with the highest echelons of power. According to Kuznetsov, he got involved in crime exclusively out of fear for the lives of his family members: the MB [Ministry of Security] (now the FSB [Federal Security Service]), to whom he appealed for help, was not able to guarantee their safety.

The court definitely proved that the colonel stole explosives. And Kuznetsov himself did not deny this. The problem was in how to assess the motive for the colonel's action, to believe or not to believe his version. Was Kuznetsov really forced into the theft out of fear of reprisals against his wife and children or was this merely his way of guaranteeing a worthy life for his family?

The investigators think that Kuznetsov's version is just a means of defense. He very accurately set the accents and said precisely as much as was needed so that his version would work for him. In the opinion of the investigators, Kuznetsov wove into the events facts that did not happen but that appear quite plausible in the chain of other episodes.

Take, for example, the situation with his fellow serviceman Mandrusov, who offered to get the explosives for Kuznetsov. The way that Kuznetsov presented it appears very dramatic. The State Security Service, to whom he turned, suggested to him that he take part in the operation and arrest Mandrusov with the evidence. But Kuznetsov, in his words, refused to participate in the operation because the MB did not guarantee the security of him and his family.

The investigators assert that it was all a little different from that. The officers did not like Mandrusov and when Kuznetsov, among other things, informed his commander what his colleague "got" through his requests, the commander suggested that they utilize the situation to get rid of Mandrusov. Kuznetsov agreed to take part in the operation, for otherwise the officers of the unit would begin to despise him. He would be considered an informer.

The colonel told the court how he was stopped on Rublevskoye Shosse by an inspector of the GAI [State Automobile Inspectorate], who escorted him to a minibus parked next to them. A person in plain clothes

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talked with him there. Two other fellows with automatic rifles also sat in the minibus. The man demanded that Kuznetsov cooperate and made it understood that if the colonel refused there would be problems for his family. In so doing, he showed a photograph of the officer's wife and children.

Of course the investigators checked out this episode. They presented to the colonel photocopies of all of the associates of the GAI who were on duty in the region of the Moscow Ring Highway on the day indicated by Kuznetsov. On none of them did Kuznetsov identify the inspector who stopped him.

It is curious that neither in the preliminary investigation nor in court did Kuznetsov give any detailed description of the people who threatened him and to whom he was selling the explosives. He limited himself to general descriptions, avoiding specific details. For example, he described the man in the minivan this way: "An elderly grayish man." And about the two lads in the minibus he said: "Two strong fellows." The colonel gave neither the number of the vehicle of the GAI inspector nor the number of his badge on his chest nor the number of the minibus.

It is difficult to believe that a brilliant officer of the GRU with a lot of experience in reconnaissance work in Afghanistan paid no attention to things that the memory of a reconnaissance man registers automatically.

The colonel did not remember even a single number of all the vehicles that were used by the people who tried to persuade Kuznetsov to cooperate—not even the vehicle that brought him to Vnukovo Airport or the one in which he was taken to a conspiratorial apartment in Makhachkala.

Kuznetsov's attorney A. Fedoseyev tried to convince the court that the investigation missed an important opportunity of checking the accuracy of his client's version, for it refused to take the colonel to Makhachkala, where the officer could show the apartment where he instructed a young Caucasian in the use of an explosive mechanism.

Indeed, it would have been wonderful if Kuznetsov had helped to find the apartment. But, as the investigators assert, the colonel set the condition: I will show you if you release me from custody. The investigators were not about to risk that. Nor were there any guarantees that Kuznetsov would keep his word. After all, he did not show the illegal apartment in Medvedkova, where he instructed a young person in the use of a detonator with a clockwork. He led the investigators to the block and then he said that he did not remember exactly in which house the meeting was.

They suggested to Kuznetsov that he show them on a diagram of Makhachkala the house to which he was brought from the airport. He confidently and precisely traced the vehicle's route of travel to the square in the center of the city but after that he could give nothing specific. The investigators combed all of the buildings in the district, using the descriptions that Kuznetsov gave but they did not find the conspiratorial apartment.

The investigators came to the conclusion that Kuznetsov was giving general information and consciously avoiding specific descriptions. And here is why. If it had been possible to find those who had ordered the explosives from Kuznetsov and those whom he instructed and if in the course of the investigation it had turned out that this explosive material was used in a terrorist act, even resulting in human victims, the colonel would be facing 15 years imprisonment or the death penalty.

Apparently Kuznetsov's tactic was dictated by the desire to avoid such severe punishment, although one cannot rule out another explanation: the colonel truly still fears for the lives of his family members. After all, no one else knows the whole truth.

The article under which Kuznetsov is being accused provides for a maximum punishment of 10 years. The procurator asked for nine. Kuznetsov's attorney insisted that the court apply Article 14 of the Criminal Code of the RSFSR in relation to his client. It frees one from responsibility for a crime if it were committed in a state of extreme necessity. Kuznetsov, in the opinion of the attorney, acted in precisely such a state.

The court did not agree with the arguments of the attorney and the accused and sentenced the colonel to seven years imprisonment. In accordance with the court's verdict, he is deprived of the military rank of colonel. The verdict may be appealed.

The last words of Colonel Kuznetsov in the court were extremely brief:

"I realized what I was doing and am prepared to bear responsibility."

## Regional Affairs

### Russia: Stroyev on Regions' Support for Zyuganov

*964F2678A Moscow NEZAVISIMAYA GAZETA in Russian 21 Jun 96 p 2*

[Article by Konstantin Katanyan, under rubric "Position": "Central Russia Is Not Against Reforms: It is just that it demands respect for itself and believes actions, rather than words"]

[FBIS Translated Text] Federation Council chairman Yegor Stroyev feels that the chief task that has to be re-

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solved during the period between the two rounds of the presidential election is the search for a political compromise and the prevention of a splitting of society. The speaker of the upper house of parliament is seriously concerned about the present confrontation of political forces, which may become even more acute in the next few days.

As is generally known, on 16 June almost all of Central Russia supported Gennadiy Zyuganov. The reasons for that outcome of the voting was of interest, naturally, not only to journalists, but also the president of the Russian Federation, with whom Stroyev met on Wednesday in the Kremlin. As the governor of Orel Oblast, which also showed its sympathies for the leader of the KPRF [RF Communist Party], Stroyev is well aware of the deep-down motivation for the choice made by the people living in that oblast. He explained Zyuganov's popularity as follows: "first, the subjective factor had its effect — Gennadiy Andreyevich is a person who was born here, and the oblast's population, which is engaged chiefly in agriculture, attaches very great importance to that." Approximately one-third of the region's voters who voted for Zyuganov specifically chose a "home boy," irrespective of his political views.

A second third of Zyuganov's supporters, in Stroyev's opinion, are included in the Communists' steady electorate. Their choice was influenced by the difficulties being experienced by the country as a whole and by the agrarian regions in particular. Whereas in other areas of the national economy definite successes of the reforms are already noticeable, "the agrarian reform is proceeding with much difficulty, and it is in this area that we are lagging farthest behind."

Finally, the last third of the voters voted for the leader of the KPRF because in June the people in the region had not received any of the benefits payments for children or any funds to eliminate the consequences of the Chernobyl disaster, and definitely not all the inhabitants of Central Russia received their pensions or other social benefits. The workers of enterprises that were standing idle voted, most likely, "not so much for Zyuganov, as against the current authority," Stroyev feels.

At the same time the speaker commented on the dynamics of the voting that were positive for the president, as compared with December of last year. If the presidential election had been held simultaneously with the parliamentary one, the result would have been completely different, and not in favor of the president. Since that time Yeltsin's positions in Central Russia have become obviously stronger.

Therefore Stroyev categorically disagrees with those who felt that Yeltsin's visit to Belgorod Oblast was a failure. On the contrary, people valued the president's attention, and some of them voted for him specifically because of that trip. Unfortunately, the Federation Council chairman remarked, the people in Yeltsin's staff were too late in remembering Central Russia, but it may be expected that in the second round the president's ratings will be higher.

True, in order to develop his success, the president has to guarantee state support to the peasantry in carrying out the agricultural campaign, must provide help in the form of technology and financing, and must energize the fulfillment of the program for the providing of gas to Central Russia. Then those regions "will not be distinguished by their high rate of being politicized and will become a supporting region for reforms."

The 16 June success and the subsequent appointment of Aleksandr Lebed seem to Stroyev to be completely reasonable and justified. A polarized society needs a "third force" that will give it the stability that is inherent in any triangle. And "the person who personifies that stability is specifically Lebed," and for that reason neither his behavior nor his appointment to a key position in the president's administration became a surprise for Stroyev. "General Lebed has a young and self-disciplined electorate which, for the most part, will also remain with him in the second round," the house speaker remarked and then he added, "I believe that the support of the course of the reforms and the president will be considerably higher in the second round of the election."

Stroyev did not have time to comment on the recent dramatic events that are linked with the conflict between Lebed and representatives of the power structures in the entourage of the RF president. However, according to the press secretary of the Federation Council chairman, Yegor Semenovich considers it necessary for the circumstance to be thoroughly clarified, and then it will be possible to take all the necessary steps to avoid the destabilization in society. Possibly, definiteness will appear by next week, when the meeting between the president of Russia and the members of the Federation Council will take place. It is not yet clear where that meeting will be, but a firm understanding concerning it was achieved in the course of Stroyev's recent conversation with Yeltsin.

**Russia: First Round Election Results in Dagestan**

*964F2678BA Moscow NEZAVISIMAYA GAZETA in Russian 21 Jun 96 p 3*

[Article by Musa Beybutov, under rubric "Dagestan": "The Results Have Been Tallied: The first round of the

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election demonstrated the population's mistrust of the existing authority"]

[FBIS Translated Text] In the republic, out of 1,172,872 voters (approximately 1.1 percent of the total number of voters in the Russian Federation), on 16 June 787,1000 voters (67.1 percent) voted. The votes were distributed as follows: for G. Zyuganov, 64.9 percent; for B. Yeltsin, 29.3 percent; for G. Yavlinskiy, 1.7 percent; for A. Lebed, 1.4 percent; for V. Zhirinovskiy, 1.1 percent; the remaining candidates garnered less than one percent of the votes. The fact that in the April 1993 referendum distrust of the RF president was expressed by 84.1 percent of the republic's politically active voters, and distrust of his policy was expressed by 83.2 percent, and that in the elections to the RF State Duma in 1993 and 1995 the preference had been given to the KPRF (respectively 54.0 percent and 43.1 percent of the votes), gave analysts grounds for representing the situation as though the people of Dagestan, for the most part, are against reforms.

The fact that the people of Dagestan are in favor of normal reforms was demonstrated by them in 1991 when they cast in favor of the same Boris Yeltsin 65.86 percent of the votes (with an average Russian figure of 57.3 percent), with whom they then personified the future reforms.

The exhausting of the credit of trust that the people of Dagestan had in Boris Yeltsin by the beginning of 1993 was also largely promoted by the circumstance that those close to him in Moscow and other regions of the Russian Federation began to build up anti-Caucasian hysteria with one of the hidden goals being to discredit his main political opponent — Ruslan Khasbulatov.

Against that background the 230,614 votes received by Yeltsin in the first round of the voting appear, under the conditions of Dagestan, to be rather high. The arrival by the RF president in the republics and krays of the North Caucasus, with his obvious ignoring of Dagestan, could not add to the president any votes from the people of Dagestan. And if one considers the catastrophic fall in the standard of living during the past three years, the war in Chechnya, and a number of other factors promoting the fall of Yeltsin's authority in Dagestan, then, essentially speaking, we have actually a twofold increase in the trust that the people of Dagestan have in him. How can one explain this phenomenon?

Something that possibly, to a certain degree, promoted this was the intensive preelection campaign that was expanded by the central and republic executive authorities and the mass media with state participation. The excessive importunity of the inferior and poorly thought-out propaganda promoted the formation of a relative attitude toward the president — the candidate for the presidency — among the overwhelming part of the population that was not associated with power or material blessings. It may be asserted with a sufficient degree of reliability that the relatively large indicator of Boris Yeltsin's supporters was guaranteed by the entire vertical line of the republic's executive authority, which, as in Russia as a whole, possesses large levers of power and finance for exerting an influence on the population.

The steadily high level of support by the people of Dagestan of the KPRF in recent years attests not at all to the fact that any significant number of inhabitants of the republic are dreaming about the rebirth of totalitarianism — the majority of people assume that this party is of a somewhat different sort that its opponents want to represent it as, and, most likely, it can be considered to be a party of social-democratic persuasion in the generally accepted sense of that word.

The results of the election in the republic indicate:

1. There is no substantial difference between how the rural and the urban voters in the republic voted.

2. The influence of the ethnic factor manifested itself in that the rayons with Laki, Lezginian, and Tabasaran population voted unambiguously against Boris Yeltsin.

With a consideration of the dense population, and according to the results received in Derbentskiy Rayon (16.6 percent) and Khasavyurtovskiy Rayon (11.9 percent), Dagoni (37.0 percent), and Khasavyurt (7.3 percent), one may conclude that, in the overwhelming majority, the Azerbaijani and Chechens living in the republic also failed to support the current RF president.

One may also note that, out of the rayons populated by Dargintsy, Kaytagskiy Rayon (by 40.7 percent), Dakahadayrevskiy Rayon (by 12.4 percent), and Sergokalinskiy Rayon (by 14.9 percent) also unambiguously voted against Boris Yeltsin's candidacy.

What reserve, then, do the candidates for the position of president have in Dagestan in the second round? Since, with the voters who made their decision in the first round, the question is clear, the topic that will primarily be discussed is those voters who, in the first round, voted either against Boris Yeltsin or against Gennadiy Zyuganov. There are 46,654 of such voters. Subsequently one may discuss those 385,762 voters who, in the first round, failed to go to the polls. It is not very likely that either the former or the latter will go to the polls in the second round.

As a result of the results of the election as a whole in the Russian Federation and the tactical steps taken by the RF president before the second round, one can note the

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following in the republic: the approximately 3-percent lead that Boris Yeltsin has over Gennadiy Zyuganov does not add any tranquility to the "party of power" and poses serious tasks for the "party of the contenders for power." But certainly neither party should forget that whoever's electorate fails to follow mechanically "their" candidate, the results of the voting may be diametrically opposed to what is expected.

The people in the republic perceive in various ways Yeltsin's tactical moves before the second round. This pertains primarily to his alliance with Aleksandr Lebed and the appointment of the latter to one of the key positions of secretary of SB [Security Council] with the right to handle all the power structures. Many people assume that in the second round this castling may also fail to bring an especially large number of votes.

**Russia: Tatarstan VKP Directors Dismissed**

*964F2685A Moscow KOMMERSANT-DAILY in Russian 21 Jun 96 p 9*

[Article by Andrey Gogolev and Sergey Slutskov, under rubric "Personnel Reassignments in the Tatarstan VKP [Military-Industrial Complex]": "Rotation of Directors in Tatarstan"]

[FBIS Translated Text] **On 19 June the question of the head of the republic's department of industry was decided in Kazan. The person assigned to the last vacancy in the Tatarstan government was Rinat Bagautdinov, who had previously headed the Kazan Electrical Components Plant. Simultaneously with that appointment, an entire series of resignations by directors of the largest defense enterprises swept over the Republic.**

These reassignments are extremely significant. The contract with Akhmet Galeyev, general director of the "Kazankompressormash" AO [joint-stock company], was annulled. Quite recently he had headed the Association of State Enterprises of Tatarstan and had a large amount of influence and solid ties both within the VKP directorate and in the government. At the same time it was decided to unite the "Kazankompressormash" AO and NIIturbokompressor [Scientific-Research Institute of Turbocompressors], and to transfer 89 percent of the "Kazankompressormash" shores to trust management by NIIturbokompressor. The person appointed as the new general director of the AO was Ibragim Khisameyev, head of NIIturbokompressor. Local observers comment that the information concerning these changes began to circulate in the spring of this year, when it became clear that "Kazankompressormash" was close to bankruptcy, and the Tatarstan cabinet of ministers was preparing a decree concerning the calling in of its shares, at a time when the situation was completely favorable at the NII [scientific research institute].

Yuriy Litvinov, general director of the Kazan Aviation Production Association (KAPO) imeni Gorbunov, was also sent into retirement, which was completely unexpected for the entire collective there. The person who was appointed to replace him was Nail Khayrullin, who has been working recently as the first vice-mayor of Kazan. The fate of Yuriy Litvinov, who had occupied his position since May 1994, has not been determined. It was officially announced that he had resigned at his own request. However, according to certain information, the reason for replacing Litvinov was his recent participation in the picketing by KAPO workers of the building housing the Tatarstan government and the rayon administration in protesting the nonpayment of their wages. However, many people are confused: if Yuriy Litvinov had "committed an offense" by joining the front ranks of the picketers, then, in general, the overall balance is obviously in his favor. After all, within a short period of time he made managed to achieve substantial shifts in the financing of the basic projects of KAPO imeni Gorbunov in producing the Tu-2-4-200 passenger aircraft, the Tu-330 transport, and the regional Tu-324 (KOMMERSANT-DAILY has already mentioned in detail these projects, that are closely linked with oil business). Yuriy Litvinov told a KOMMERSANT-DAILY correspondent that, for the time being, he himself does not understand anything, and he hopes that "within the next day or two everything will become clear." Other people who are as confused as Litvinov is are the heads of the Tatarstan department of industry and the republic's Goskomimushchestvo [State Committee on the Administration of State Property], who have had to figure out what to do in the incident that has arisen (it is curious that it was not those structures that recommended the new KAPO director to the collective, as would have been proper "according to the table of organization," but the mayor of Kazan).

Yet another scandalous resignation was the removal of Oleg Filippov, general director of the Plant imeni Sergo. The enterprise that he headed is one of Russia's largest producers of medium-caliber ammunition. As became clear to KOMMERSANT-DAILY, in his statement about his resignation, Oleg Filippov wrote that his resignation was a protest against the actions of the Russian government with respect to the defense industries. Filippov stated that last year the plant had earned, from export sales, $17 million, which had gone to the payment of taxes, wages, and the production of household appliances. This year he had managed to obtain production orders for $50 million, but RF Minoborony [Ministry of Defense] did not want to allocate the nec-

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essary working capital, which is what had forced the general director to make that decision. However, extremely reliable sources assume that Filippov's departure is only a trick, since a financial audit of the Plant imeni Sergo revealed a number of serious financial violations, including those involving the payment of taxes. As a result of the audit it was planned to carry out the appropriate organizational measures with respect to the general director. But Filippov, learning about that, allegedly decided that he would prefer voluntary departure to dismissal. It is not precluded that this move was suggested to him "from the outside." For the time being, the job of the plant's acting general director has been assigned to Viktor Sleptsov, Filippov's former deputy for production.

There have also been regular personnel reassignments in the "KamAZ" AO. As a KOMMERSANT-DAILY correspondent was told by KamAZ president Nikolay Bekh, the appropriate personnel orders that he signed are the last ones, since "the new scheme for management of the AO, with all names and assignments, has already been finally confirmed." Nikolay Bekh discussed the changes in Naberezhnyye Chelny in his interview with KOMMERSANT-DAILY (see the material on this page [not translated]).

**Russia: Udmurtia-Bashkiria Form Joint Oil Company**

*964F2685B Moscow KOMMERSANT-DAILY in Russian 21 Jun 96 p 9*

[Article by Aleksandr Davydov, under rubric "New Oil SP [Joint Venture]": "Subjects of the Federation Have Created an Oil Company"]

[FBIS Translated Text] **Representatives of the governments of Udmurtia and Bashkiria have signed the constituent documents for the "Belkamneft' joint venture [SP], which, it is assumed, will engage in the production and refining of oil, as well as the sale of petroleum products. That was reported on Thursday at a joint session of the commissions of the State Council on Industry and Economics by Vladimir Katkov, Udmurtia minister of natural resources and environmental protection.**

As early as April a general-framework agreement concerning economic cooperation was concluded between the two republics. One of the points of that agreement stipulated the creation of a joint oil enterprise (see KOMMERSANT-DAILY, 2 April). The chief "motivating force" for this project was the government of Udmurtia, which actually lost control over the republic's oil complex after "Udmurtneft" became part of "Sidanko."

As reported by the "Praym" [Prime] agency, "Belkamneft" will be registered on the territory of Udmurtia in the form of a closed-type AO [AOZT] after the enactment by the republic's State Council of the law "List of Sectors of Mineral Resources Offered For Use on a Noncompetitive Basis On Conditions of Dividing the Output." It is assumed that this will occur in July. The statutory capital of "Belkamneft" (300 billion rubles) will be divided equally between the republics. On the Bashkir side, the company will include: "Bashneft" (45 percent), State Committee on Property (3 percent), and "Uraltransneft (2 percent). On the Udmurt side: State Committee For Property (43.5 percent), "Baykal" AO (5 percent), "Udmurtgeologiya" (1.2 percent), and West Urals Oil Company (0.3 percent).

As envisioned by the founders, the enterprise will produce and refine oil, and will also sell the petroleum products, using the capacities of a structural subdivision of "Bashneft" — the "Arlanneft" company which, since 1973, has been exploiting the Vyatskoye Deposit in the southern part of Udmurtia. In 1995 it produced approximately 1.7 million tons of oil here. Subsequently "Belkamneft" may be given six more oil deposits that are situated in the south of Udmurtia — the Alekseyevskoye, Galanovskoye, Yershovskoye, Kambarskoye, Pogranichnoye, and Novoselkinskoye deposits. Apparently, the oil produced by the new enterprise will be refined at Bashir NPZ [oil refineries]. As for the sales, difficulties may arise here, inasmuch as practically all the sales infrastructure in the republic belong to "Udmurtnefteprodukt," which is part of "Norsi-oil," and that company will think three times before allowing a competitor into its market.

**Russia: Kuban Police Major Charged in Arms Dealing**

*964F2791A Moscow IZVESTIYA in Russian 22 Jun 96 p 2*

[Article by Andrey Aderekhin, "'Clean' Arms for Bandits From 'Clean' Hands of Militia"]

[FBIS Translated Text] In only one month of this year, the criminal group which, according to the investigative version, was organized in Kuban by militia Major Maleyev (since the trial has not yet been held, we will call him this), sold around 30 pistols which had been reconverted from gas to combat weapons.

The pistols from this underground "conveyer" were rather expensive—about $1,000 apiece. These weapons were particularly valuable because of their absolute "cleanliness." After all, such converted pistols had not been registered anywhere. Yet they worked very well, and could be equipped with silencer attachments. They

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were an ideal weapon for bandits, and especially hired killers.

Major Maleyev managed to place the arms business on a solid footing. In February, when the associates of the RUOP [Regional Organized Crime Administration], in conjunction with the UFSB [Federal Security Service Administation] for Krasnodar Kray, conducted a detainment operation, the criminal group already numbered around 30 people. There were two main channels for shipping the arms to Krasnodar: Pistols were brought from Izhevsk, and automatic weapons and grenade launchers—from Chechnya.

As the investigation disclosed, it all began back in 1994, when militia Major Maleyev, working as the deputy chief of one of the departments of the RF MVD [Russian Federation Ministry of Internal Affairs] Legal Institute, went on a business trip to the city of Izhevsk. Here he established connections which later allowed him to organize the misappropriation of gas pistols and other arms from the local plant. The arms were brought from Izhevsk to Krasnodar under a fairly good "cover"—supposedly as being purchased for the society of hunters and fishermen, as well as by two members of the group who had certification of being nonstaff associates of the militia. In Krasnodar, the gas pistols were handed over to two underground shops where, after replacement of the barrels, installation of recoil springs and provision with silencers, the weapons went to other members of the group, who engaged in sale of the "goods."

The second channel of supply was also provided by militiamen—two old OMON [special purpose militia detachment] sergeants brought automatic weapons and grenade launchers from Chechnya.

Major Maleyev's special knowledge allowed him to develop a rather high level of conspirative actions of the group, as well as an effective system of communications. Thus, most of the members of the group did not know each other, and operated in "links." The arms were not handed over directly, but left by some and picked up by others in designated areas.

As a result of the searches conducted at the place of residence of members of the group in Krasnodar and its surrounding areas, 13 already converted pistols, 83 gas pistols intended for conversion, two grenade launchers, an automatic weapon, a machine gun cartridge belt, 14 grenades, 150 grams of plastic explosive, laser sights, a radio station with encoders, and many other items were seized. The exact number of weapons which have already been sold has not yet been determined, as the investigation is finding more and more buyers in practically all rayons of the kray. The discussion here is about hundreds of gun barrels. The buyers of the arms were primarily representatives of the criminal world, including persons from the closest encirclement of criminal leaders. Moreover, strange things are coming to light: For example, two pistols with silencers were purchased by a worker of the GAI [State Auto Inspectorate]...

The exact sums of profit received from the arms business will also become known as the trial draws nearer. However, the earnings of the "clever fellows" were evidently quite sizeable. Thus, when one of the Krasnodar participants of the group was arrested at the beginning of the year in Izhevsk, another Krasnodar resident came to help him out, and brought with him around $10,000 for bribes, in order to try to put an end to the case. In Izhevsk the activity of the criminal group was covered up and coordinated by one other, this time a local, associate of the militia.

The traitorship of certain militia workers, associated with the arms trade, is, alas, not a rare occurrence.

### Russia: $3-5 Million Bribes From Canadians Alleged

*964F2704A Moscow KOMMERSANT-DAILY in Russian 26 Jun 96 p 14*

[Article by Pavel Dyakonov under "Problems of Mariinsk Theater" rubric: "A Theatrical Novel About $5 Million in Bribes"]

[FBIS Translated Text] **The Procurator's Office of St. Petersburg completed an investigation of a criminal case involving the receipt of bribes at the State Academic Theater of Mariinsk. The possible total of the bribes is impressive: from $3.5 million to $5 million. But no one has been charged criminally—the case was reclassifed as an abuse of an official position and then closed, because the director of the theater, Anatoliy Malkov, had already been dismissed. Staff members of the procurator's office explain the failure through the poor work of operatives of the UBEP [Directorate for the Fight Against Economic Crimes] who filed this case. The operatives explain that they were hindered from the very start of the investigation. KOMMERSANT-DAILY correspondent Pavel Dyakonov relates details of this confused story.**

#### A First Acquintance With the Theater

They have long been saying in the theatrical world of St. Petersburg that they take bribes at the Mariinsk Theater. The rumors also reached the operatives of the Sixth Section of the Main Administration of Internal Affairs [GUVD] of St. Petersburg. Under the leadership of Aleksandr Gudz, they began to gather information on the managers of the theater and in January 1995 they unexpectedly learned that theater director Anatoliy

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Malkov left with the troupe on the next tour, taking with him a large sum of foreign exchange that he did not intend to declare. The operatives hurried to the airport. Malkov had already gone through the customs post. They held up the departure of the airplane. They searched Malkov but did not find any undeclared currency. They had to release the director of Mariinsk Theater. He had a heart attack in the aircraft and they had to make an unscheduled stop in Warsaw. The director refused to hospitalized and the very next day he rejoined the troupe. The actors, by the way, explained the director's attack through a large dose of alcohol.

The initial failure did not intimidate the operatives. Soon they got to know Alex Cripton, a former policeman and brother of the well-known Canadian impresario John Cripton, owner of the firm Great World Artists, who organized foreign performances of Mariinsk Theater. Alex told the operatives that John Cripton was forced to turn over approximately 90 percent of his income from cooperation with the ballet company of Mariinsk Theater to the theater managers. "This is banal bribery," said the former policeman to the investigators from the UBEP. The detectives were interested in the sum of the bribes. "I do not recall precisely," Alex said, "but I once calculated that from 1990 through 1995 John forked over to them $3.5 million or possibly $5 million. The impresario's brother then said that in the coming performances in England he will have to turn over $73,000 to the ballet master. The operatives asked him to record the moment of the transfer of the bribe on an audio cassette. Alex fulfilled their request and turned the cassette over to the operatives.

The interest of the detectives was piqued by an anonymous announcement received at the St. Petersburg GUVD in September of last year. Its author told of the "abnormal mental and psychological atmosphere in which the performers and employees of Mariinsk Theater have been working for a long time." Named among the main reasons that gave rise to this situation were theft, bribery, and other illegal actions of the managers of the theater, including their receipt of bribes for the signing of contracts for performances abroad.

The operatives added the announcement to the file and began to wait for John Cripton. Under their plan, he was supposed to be the primary witness in the case on bribes in Mariinsk Theater. A week before his arrival in St. Petersburg, the detectives were at a reception of Yevgeniy Sharygin, deputy procurator of the city. Sharygin familiarized himself with the materials of the case at hand and said: "The elements of the crime exist. But you must catch the troupe members in the act."

**Malkov Dirtied Himself With Money**

John Cripton arrived at the end of September. On the evening of 28 September, the operatives met with him in his room at the Astoria Hotel. The impresario said that for several years he has been paying money to theater director Anatoliy Malkov, his deputy Vladimir Tanko, and Oleg Vinogradov, chief ballet master of Mariinsk Theater. He talked with Malkov before meeting with the operatives. Malkov advised him that he intends to be in England on 3 October and he told Cripton to bring $10,000 to him there for past performances. "I have no choice," the Canadian explained. "Otherwise he will not sign a contract with me."

The operatives were interested in knowing whether Malkov would take money prior to his departure, which would give them the possibility of arresting the director with the evidence. Cripton laughed: "Of course he will take it!" They decided to carry out the operation the very next morning.

The police marked $10,000 with a special compound and together with witnesses they went to the theater. Upon entering Malkov's office, under the plan of the operatives, Cripton was supposed to push a button of a dictaphone, hand over an envelope, and sign the contract. Upon leaving the office and passing one of the police associates, the impresario was supposed to give an agreed sign that the money had been handed over as planned.

But not everything worked out as they wanted. Cripton gave the money. Malkov counted it. Then the impresario got out the contract but Malkov was not about to sign it, saying that they needed the signature of ballet master Vinogradov. The confused Cripton went out of the office. Since Malkov had taken the money, the Canadian gave the agreed sign and left the building of the theater.

The operatives entered Malkov's office. They took the envelope that Cripton had handed over out of the director's pocket. They found traces from the marked money on Malkov's hands—he had contaminated himself with the special compound. They interrogated him while making a video tape. In his confusion, Malkov puffed out his cheeks and stated that this was an "honorarium for performances." They sent him to the preliminary interrogation facility. The arrest of the director of Mariinsk Theater was immediately reported to Yevgeniy Sharygin, deputy procurator of the city. The police asked him to assign to them an official investigator from the procurator's office who together with the operatives would carry out urgent investigatory actions. But the procurator refused.

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Ballet master Oleg Vinogradov was arrested on the evening of the next day. They brought him to the UBEP and showed documents confirming that Vinogradov had taken money from the Canadian impresario. The ballet master became upset and wrote a "statement of guilt." He admitted that he had indeed received money repeatedly from the Canadian but with very noble purposes—with them the choreograph intended to establish a "fund for the ballet of Mariinsk Theater" to help the performers. The chief ballet master of Mariinsk Theater was sent to the preliminary interrogation facility right after the director. In the course of further work, they confiscated $142,000 in cash and about $800,000 in bank checks to the bearer from different banks of the world belonging to the artistic manager of the ballet troupe Vinogradov. They turned the case over to the procurator. And it is here, in the words of the operatives, that the strangeness began.

**Useless Witness**

At first the city procurator's office sent the case to the rayon office. There they turned the investigation over to a young trainee with no investigatory experience. Within a day, to be sure, they realized what they had done and assigned the experienced investigator Tatyana Moskalenko. She was not able to familiarize herself with the case before the expiration of the three days that the law provides for the holding of a person without presentation of charges Anatoliy Malkov came out of the isolation cell. A day later Oleg Vinogradov was also released. "They should at least have gotten them to sign a statement that they would not leave the area," said the indignant detectives.

An investigatory task force was not created until a month and a half after the case was filed. They have now turned its investigation over to Mikhail Kalabanov from the city procurator's office. On 29 January 1996, he met with John Cripton, who had come to Russia on business, in his room at the Astoria Hotel. "His first question astounded us," the operatives say. Kalabanov was interested in whether Cripton wanted to retract his statements. The Canadian said that he did not want to do that. Then the investigator rose and asked Cripton to come to his office the next day for the taking of testimony.

Cripton told the investigator that he had been organizing tours of Mariinsk Theater since 1985. Everything went well as long as Goskontsert existed. In 1990, the chief ballet master of the theater Oleg Vinogradov presented some rather severe conditions to him: Cripton could not have exclusive rights to the organization of theater tours in the United States but must work in a corporation with other impresarios. The Canadian was forced to consent but his partners were frequently ruined and finally Oleg Vinogradov got fed up with this. In 1992, he advised Cripton that he could represent Mariinsk Theater throughout the world but under certain financial conditions: he had to turn over 95 percent of his proceeds from the organization of tours in cash or transfer the sum to accounts specified by the managers of the theater. Cripton consented this time as well: the cooperation with Mariinsk Theater increased his prestige. After this, according to Cripton, for each performance abroad Malkov and his deputy Tanko received $200 and $100, respectively. After the conclusion of the tours, the impresario handed over to each of his Russian partners the "premium" due him as a deposit for future work.

"Still, what forced you to pay Vinogradov, Malkov, and Tanko," the investigator was interested in knowing.

"I had no choice. I had to agree to the conditions that Vinogradov offered me or cease working with Mariinsk Theater," John Cripton answered.

The information that Cripton gave was of almost no help to the investigation. It was not possible to catch Malkov, Vinogradov, and Tanko in the act of bribery. In addition, they began to retract their statements. The case was reclassified as abuse of an official position. For Malkov, this meant a threat of a fine, dismissal, or corrective labor, whereas his deputy Tanko and Vinogradov were not threatened with anything at all. But Malkov was dismissed from the theater and as a result the case was closed "in connection with a change in the situation." This is Malkov's comment on his troubles: "I did indeed make a mistake in my relations with one of the foreign impresarios but neither I nor my attorney can classify it as a bribe." Vinogradov categorically refused to talk with the correspondent of KOMMERSANT-DAILY but he did give an interview to the newspaper MARIINSKIY TEATR. In that interview, the ballet master said that he is a rational and experienced person who knows the theater as few do. He can make a show from nothing: be an artist, decorator, producer, and choreographer. "I did this with Virsaladze, Grigorevich, and Gusev. I have information, I analyze the situation, and I know what to expect from the economy—the government will not resolve our financial problems. I will not ask and wait."

At first Vinogradov was about to write a statement on his resignation but he then changed his mind and stayed in the theater. They appointed Yuriy Shvartskopf to replace Malkov. But the untiring staff members of the UBEP continued the investigation.

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**The Zeal of the Operatives Turned Against Them**

In December 1995, Sergey Kuvakin, one of the detectives, found out that the firm Philips Classic Productions was recording opera performances in Mariinsk Theater. The operative was interested in finding out from the assistant to the chief conductor Vyacheslav Lupachev how the recording went. He said that he received and paid out money to those participating in the recording. Receipts totaling $700,000 were confiscated from him. Not a single contract with Philips was found in the accounts office of the theater. The former director Anatoliy Malkov explained that all of the contracts were concluded through the mediating firm Samanth Corporation, the settlement account of which is in Amsterdam, and that Philips Classic Productions transferred all of the money precisely there. But the former director had trouble naming specific sums, alluding to his forgetfulness. Nothing at all is known of reciprocal accounts for recordings made on tours.

On the day when Kuvakin and his colleague conversed with Lupachev, the chief conductor of Mariinsk Theater Valeriy Gergiyev met with Nikolay Danilov, chief of the St. Petersburg UBEP. The detectives found out about this from friends in the theater. The very next day Kuvakin and his associate were summoned to the leadership. There it was explained to them in detail that no one else from the theater should be summoned for conversations and that there was nothing illegal in the actions of the managers of Mariinsk Theater.

The operatives continued the investigation. And then they began to experience some unpleasant things. Sergey Kuvakin was first told that his "theatrical novel" was like a "bone in the throat" of the leadership of the UBEP and they promised to move him to work in the RUOP [regional organized crime administration]. But it did not happen: in March, the operative was beaten severely, so that he wound up in the resucitation unit, and they stole his pistol. This was the reason for Kuvakin's dismissal from the internal affairs agencies "for discrediting," although no case was filed for the attack against the police colleague and the pistol was found the next day. Nikolay Gudz, Kuvakin's immediate superior, was reduced in rank "for oversights with personnel."

In April, Yuriy Shvartskopf spoke at the production conference of Mariinsk Theater. He related that he will now become executive director of Mariinsk Theater and he also said that he spoke with the leaders of the UBEP, who assured him that there would be no more inquiries or criminal cases. The unpleasantness and problems of Mariinsk Theater are over for the time being.

But the materials of the investigation by staff members of the UBEP were sent to the tax police for review. At the same time, a check by the KRU [Control and Auditing Administration] of the Ministry of Finance is taking place at the theater. It is possible that the auditors and police will be able to find in the actions of the managers of the theater infringements that come under the articles of the criminal code.

**Russia: Homemade Bombs, 'Author' Found in Saratov**

*964F2630A Moscow KOMMERSANT-DAILY in Russian 18 Jun 96 p 14*

[Article by newspaper's Crime Department: "Psycho Mined Central Streets of Saratov"]

[FBIS Translated Text] In recent days a series of terrorist acts were prevented in Russia. On Friday two homemade explosive devices were found in Saratov. Fortunately, it was possible to defuse the bombs. Saturday passed in relative calm, if you don't count the numerous prank phone calls claiming that explosive devices had been planted and a large arsenal of explosives confiscated by Moscow militia officers. But there was an incident on election day. In the city of Rogmedino (Bryansk Oblast), the chief of the rayon militia administration, Valeriy Mashchenko, was wounded by fragments from an exploding hand grenade.

**Milk Bottle Was Packed With Explosives**

On Friday about 5:00 AM militia officers discovered two powerful explosive devices in the center of Saratov. One bomb, packed in a metal coffee can, was found under a street light several meters from an asphalt path between the Victory movie theater and a covered kolkhoz market. The can was wired to a mechanical alarm clock whose hands were set at 12:00 PM, the time when the explosion was supposed to go off. The site where the bomb was found was roped off, and several fire engines and an ambulance rushed to the movie theater just in case. The bomb squad arrived soon. They examined the bomb closely and decided to dismantle it (usually in such cases bomb specialists prefer not to take a risk, so they destroy explosive devices using water cannons or sniper fire—KOMMERSANT DAILY).

The bomb specialists ordered the militia officers who were observing their actions to move farther away, after which one of them patiently disconnected the wires connecting an electronic detonator, the alarm clock and a battery. The militia officers put the parts of the dismantled bomb in a plastic bag. The bomb squad members had not yet had time to catch their breath when they were summoned to the Park of Culture and

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Rest. Another explosive device had been found there on an asphalt road leading up to the dance floor. This time the bomb specialists were dealing with a glass milk bottle packed with gunpowder, nails and steel wire. The explosives experts said that the device was designed to go off, for example, after a passerby had kicked the bottle or tried to pick it up. The bomb was powerful enough that the nails could have been flung for a distance of 100-150 meters. The bomb squad also managed to dismantle this bomb at the place where it had been found.

After these incidents the entire Saratov militia was immediately put on heightened alert. Additional militia patrols were stationed in public places, and the best specialists from the militia and the FSB [Federal Security Service] administration were assigned to the search for the believed terrorists. On Saturday the efforts of the operations services met with success—the alleged perpetrator of the crime (investigators are not releasing his name) was arrested as the result of acting on operational information. The militia is saying nothing about the details of his interrogation. The only thing that is known is that he suffers from serious mental illness. According to militia officers, he had no political aims in planting the bombs.

**A Lone Home Bombmaker Was Trying to Sell Bombs to Drug Addicts**

On Saturday officers of the Administration for Combating Illegal Drug Trafficking destroyed a workshop in Moscow where explosive devices had been made for a long time. The officers came upon the trail of the bomb makers by chance while in the process of breaking up a gang of drug dealers. They found out that the drug dealers were bargaining to buy guns, ammunition and explosives.

On 15 June at abou: 16:00 the officers conducted a search of one of the gang members' apartments (at 1 First Volskaya St) and discovered the underground workshop. In one room the militia officers came upon two briquettes of PVV-4 explosive (2.1 kg), six packages containing a mixture of TNT and hexagen (3.3 kg), 180 grams of plastic explosive, four ammonite blasting caps (1.2 kg), and several briquettes of shotgun and artillery powder. In addition, the resident of the apartment had 15 electronic detonators, about 70 meters of fuse and various chemicals and electronics parts on hand.

Acc:rding to a tip, the apartment resident had been supplying gangsters with homemade bombs for a long time. He would make them both out of factory-made explosives with which the criminal gangs supplied him, and out of explosives that he personally would acquire at sites of combat.

As the Moscow City Internal Affairs Administration reported, the arrested pyrotechnist is being investigated for involvement in a number of terrorist acts, including the subway bomb and the attempt on Valeriy Shantsev, the candidate for Moscow vice mayor.

**Gangsters Take Revenge on an Uncooperative Militia Officer**

On Sunday morning in the city of Rogmedino (Rogmedinskiy Rayon, Bryansk Oblast) an attack was made against 36-year-old Valeriy Mashchenko, chief of the local rayon internal affairs administration.

At about 8:00 AM Valeriy Mashchenko had left his home and was headed to work. When he opened the gate to the fence surrounding his building, an explosion went off. Mashchenko was gravely wounded.

Militia officers say that a homemade booby trap was used in the attempt on Mashchenko: An F-1 hand grenade was attached to the gate, to the ring of which fishing line or wire was attached that would pull the pin when the gate was opened. Such booby traps were commonly used by army units in Afghanistan and Chechnya, but very rarely in attempts to kill specific individuals, since the likelihood is too great that someone unintended will fall into the "trap." But in this case the criminals had studied the militia chief's daily schedule closely and knew that he was the one who would open the gate. Incidentally, that same technique was used two years ago in Bashkortostan to settle scores with Razil Musin, chairman of the republic Supreme Soviet. That time the organizers and perpetrators of the crime were successfully caught. They turned out to include militia officers who had had combat experience.

Detectives hope to solve the attack on Valeriy Mashchenko. A headquarters has been set up in the rayon to investigate the crime. The best specialists from the Bryansk militia and the FSB administration are now involved in the search for the criminals who planned and carried out the terrorist act.

According to the officers, the terrorist act against the police chief could have been carried out by a local gangster—several successful operations against criminal gangs were recently carried out under his direction. There are rumors to the effect that criminals had vowed to militia officers that they would settle scores with them.

Just a few hours later in the city of Klintsy (Bryansk Oblast), militia officers arrested a local crime kingpin. At his home the officers found a F-1 grenade with a detonator, three firing devices for it, an unregistered shotgun, an assault rifle, a homemade pistol, several

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TNT blasting caps and smoke boxes, and cartridges. It is believed that the arrested gangster is one of the organizers of the attempt on the militia chief.

**Russia: Karachay-Cherkess Parliament Adopts Language Law**

*964F2708A Nalchik SEVERNYY KAVKAZ in Russian Jun 96 No 26, p 2*

[Article by A. Adzhiyev: "Nonfluency in the State Language Will Not Infringe the Rights of a Citizen of the Karachay-Cherkess Republic"]

[FBIS Translated Text] The parliament of Karachay-Cherkessia passed a law "On the Languages of the People of the Karachay-Cherkess Republic," according to which the state languages of the republic will be Abazi, Karachay, Nogai, Russian, and Circassian, but Russian will be the language of interethnic communication and of official documents. The law guarantees the observance of the constitutional rights and liberties of the individual and citizen, irrespective of fluency or nonfluency in any of the listed state languages.

**Russia: Karachay-Cherkess Republic's Reform Progress Viewed**

*964F2708B Nalchik SEVERNYY KAVKAZ in Russian Jun 96 No 26, p 3*

[Report by Vladimir Khubiyev, head of Karachay-Cherkess Republic: "More Has Been Accomplished During the Years of Reform in the Karachay-Cherkess Republic Than During the Previous 20 Years"]

[FBIS Translated Text] **Although Vladimir Khubiyev, the head of the Karachay-Cherkess Republic, usually prefers "live" meetings, this time he broke with tradition and issued a press release—a "report to the people" on the progress of reform in the last five years. Here is what he said.**

**New Times**

The days when the administrative staff could direct the economy by issuing orders, with no consideration for the objective laws of economic development, have receded into the past. Now the managers of all forms of property are autonomous, and government officials can only influence economic operations with the aid of market-based leverage. That is why **Karachay-Cherkessia's businessmen have been able to focus all of their energy on production.**

The non-governmental sector now occupies the dominant position in the economy of the Karachay-Cherkess Republic, producing more than three-fourths of the gross domestic product. Officials of the Karachay-Cherkess Republic rose to the occasion and began "establishing a civilized market and filling it with all of the necessary goods and services" and then focused on **small business.**

On the recommendations of the Karachay-Cherkess Republic Government, the National Assembly passed a local law "On State Support for Small Business in the Karachay-Cherkess Republic" (SEVERNYY KAVKAZ, No 24, 1996). Now this republic with a population of 430,000 already has 2,116 small businesses and 29 joint ventures, more than 90 percent of which are privately owned. They have provided 24,270 citizens with jobs, rendering notable assistance at a time of growing unemployment. If it were not for the shortage of start-up capital, there would be even more "small businessmen." The government is trying to solve this problem. The Karachay-Cherkess Republic budget now includes an expenditure item "for the support of small business." The amount is still small—0.5 percent of total budget income—but we must, as the saying goes, take what we can get.

Karachay-Cherkessia was the first to support the proposal of the RF State Committee on Small Business on the creation of a North Caucasus Guarantee Fund for the accumulation of the funds allocated for the development of small business by four republics—Kabardino-Balkaria, Karachay-Cherkessia, Ingushetia, and North Ossetia. These financial resources will be supplemented with foreign investments guaranteed by the RF State Committee on Small Business. The headquarters of the fund will be located in Cherkessk.

**From 'Small' to 'Big' Businessmen**

The republic already has some "giants" that are developing new fields of republic industry, which was traditionally geared to the defense complex and private farming. We now have, for example, enterprises producing keramzit in Cherkessk, bathroom fixtures ("Dekor"), artificial leather and confectionery ("Poliuretan"), furniture and vodka ("Merkuriy"), and crude gypsum in Khabez.

**The Situation in Agriculture Is the Opposite**

Regrettably, the republic was too hasty in the stepped-up reorganization of farms in 1991: Almost all of the agricultural enterprises were re-registered, and they elected new managers after they had lost their earlier government patrons. Furthermore, many were not capable of "elevating farming standards," but were small family or group peasant farms. Their share of the total agricultural product in the Karachay-Cherkess Republic is still quite small. On the other hand, we do have more private subsidiary plots and farms, and we have a large assortment of all types of produce for sale, and at much lower

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prices than in neighboring territories. Nevertheless, the shortage of funds has reduced state support for the agrarian sector. The commercial credits that have taken the place of centralized investment have not solved the problem. There is some hope for the future, however: The government-drafted and approved forecast of the socioeconomic development of the Karachay-Cherkess Republic in 1996 predicts more vigorous development than in 1995.

**High Hopes**

People in the Karachay-Cherkess Republic have high hopes for the RF Government Decree of 28 February 1996 "On Immediate Measures for the Socioeconomic Development of the Karachay-Cherkess Republic in 1996-98," providing for the construction of 900 kilometers of power transmission lines in the republic, a rug factory in Karachayevsk, a construction porcelain plant in Cherkessk, a granite, marble, and natural stone processing enterprise in Karachayevsk, and a plant for the production of ethyl alcohol from agricultural raw materials in Erken-Shakhar.

**The republic leader called upon his fellow citizens to assist in carrying out all of these plans by not giving in to feelings of apathy and despair and by working together "to solve existing problems."**

**Russia: Karachay-Cherkess Parliament Fills Legal 'Vacuum'**

*964F2708C Nalchik SEVERNYY KAVKAZ in Russian Jun 96 No 26, p 5*

[Interview with Igor Vladimirovich Ivanov, chairman of National Assembly of Karachay-Cherkess Republic, by T. Mamkhyagova; date and place not given: "The Deputies of the Karachay-Cherkess Republic Are Filling the Legal Vacuum"]

[FBIS Translated Text] **The first elections to the republic parliament were held in Karachay-Cherkessia a year ago. The previous deputies had been elected to the Karachay-Cherkess Oblast Soviet when it was still part of Stavropol Kray. After the declaration of the Karachay-Cherkess Republic, the deputies continued serving their term with a higher status, which gave rise to questions about the legitimacy of the transfer, led to fights between branches of government over prerogatives, and resulted in a severe legal crisis. It turned out that the republic did not have a legislative base (although it had been five years since the declaration of the republic). The deputies of the National Assembly of the Karachay-Cherkess Republic had to lay this foundation. Today Chairman Igor Ivanov of the National Assembly talks about parliament's new functions.**

**Igor Vladimirovich Ivanov was born in Cherkessk in 1937. He graduated from the North Ossetian Agricultural Institute and taught at the Institute for the Advanced Training of Teachers. Later he began doing Komsomol and party work, climbing the professional ladder from first secretary of the Karachayevsk CPSU Gorkom to the secretary of the Karachay-Cherkess CPSU Obkom. He headed the Operations Administration of the Grand Stavropol Canal for seven years and was awarded medals and the Badge of Honor. He started the "Community" movement for the purpose of maintaining the republic's integrity by guaranteeing the equal rights of all of the nationalities in the republic. These principles were the cornerstone of his campaign platform. He was elected to parliament by a substantial majority, finishing the race far ahead of the four other candidates.**

[Mamkhyagova] Why are there more deputies in Karachay-Cherkessia than in some of the Russian regions with a much bigger population?

[Ivanov] The present corps of deputies consists of 73 elected representatives, 12 of whom are working full-time. Karachay-Cherkessia, with a population of 430,000, has five native nationalities. They differ in their numbers, but all of them have to be represented in parliament. The optimal composition for the present parliament was determined on this basis.

[Mamkhyagova] How would you, as a legislator, describe the situation in the republic?

[Ivanov] When we began our work, we learned that the republic effectively lacked a legislative base. Only five laws had been passed during the five years of its existence, and three of them were passed in the last months before the elections: the laws "On Elections," "On State Governing Bodies," and "On the Budget." There were no other laws to regulate our life. We faced a dilemma: Where should we start—with a draft constitution or with laws on the government, the parliament, the territorial administrative structure, etc.? We decided to start with a constitution and then pass other laws on this basis.

[Mamkhyagova] How much experience do the deputies have with the legislative process?

[Ivanov] Regrettably, not many people had this in mind when they nominated candidates. Only one of the 73 elected deputies was a jurist, and even he "abandoned" us to become a judge.

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Our parliament fills all of the requirements of a representative body: It represents all social strata and all nationalities. It does not meet all of the requirements of a legislative body, however. There is a shortage of jurists specializing in government law in the republic in general. We found a solution: We invited specialists capable of filling this gap to work on the National Assembly staff. We had to find other jobs for many of the earlier members of the staff and then hire jurists to fill these vacancies. Today the National Assembly has six committees—committees on legislation, on budget and finances, on social welfare, and others. All legislative bills are analyzed in the legal department of the National Assembly, and we enlist the aid of the leading specialists of the Federation Council and the legal department of the RF Presidential Administration when necessary.

[Mamkhyagova] Do you think the deputies have been able to fill the legal vacuum?

[Ivanov] We have laid the foundation by adopting the Constitution. It put an end to all differences of opinion. Another important thing is that we felt the need to promote the development of small business, and the Law of the Karachay-Cherkess Republic "On the Support of Small Business" was among the first to be passed. We expect to pass another 13 laws by October. I think we have filled the legal vacuum by about 20 percent.

[Mamkhyagova] What about parliament's relations with other branches of government?

[Ivanov] Functions are clearly delineated in the republic now (in contrast to the past). Whereas parliament once performed executive, legislative, and other functions, the present National Assembly's main duties are legislative work and the representation of the voters' interests in state governing bodies.

[Mamkhyagova] Legislative work requires large financial expenditures. Is this within the capabilities of the republic parliament?

[Ivanov] We experienced serious financial difficulties at first because of the change in parliament's functions. Sound legislative work requires a sound informational base, but we had only two computers for the whole parliament, and even these were hardly suitable for anything beyond computer games. This year, however, we were granted budget allocations of 2.8 billion rubles, and we hope that this will be enough to help us in the performance of our duties.

**Russia: Trends in Nationalities Policy Examined**

*964F2718A Moscow NEZAVISIMAYA GAZETA in Russian 27 Jun 96 p 3*

[Article by Alan Kasayev: "Russia Will Remain a Federated-Unitary State; the Future President of the Russian Federation Is Unlikely To Solve Inter-Ethnic Problems"]

[FBIS Translated Text] Oddly enough, there have not been that many significant changes in inter-ethnic relations in the Russian Federation since the time of the Soviet regime. In the struggle between the two paramount ideas with regard to the national state structure in a multinational country—national-cultural autonomy and national statehood—the second of these still prevails. It is most likely, therefore, that the Russian Federation will remain a complex federated-unitary state with different systems of administration in different territories (okrugs, republics, and oblasts or krays) and different relationships between these territories and the center until 2000—until the end of the new president's term. Some of the reasons for this state structure are completely objective, such as the habitation of "native" territories by many indigenous nationalities, and some are not completely objective but are based on strong traditions. I would include the existence of traditional national and regional ruling elites in the sphere of economic administration with dynamically developing political ambitions, the tradition of the division of labor according to territorial status rather than economic geography, the existence of the ethnic mentality, and the continued development of an ethnic ideology, among the latter.

Nevertheless, the prospect of a transition to national-cultural autonomy, which would be more appropriate in a developed democratic society and state, still exists and could even grow stronger if local officials gradually give up the idea of sovereignization (the division of Kabardino-Balkaria and Karachay-Cherkessia into "titular" republics, for example, and the creation of other—Cossack, for instance, or German (but this is highly improbable)—republics or special territories) and assign priority to the substantive development of ethnic cultures instead of their formal development. In the sphere of legislation, we can expect further progress in the establishment of a legal base for national-cultural autonomy instead of the "reinstatement," dictated from above, of the rights of some nationalities at the expense of others.

The growing strength of national and regional elites and their leaders will be replaced by their relative decline, and the conclusion of inequitable bilateral treaties between the center and the federation member must advance to a new stage—from sweeping political and

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economic declarations to specific agreements on separate matters. This will be accompanied by a stronger tendency toward bilateral relations between federation members. The politically motivated and therefore spontaneous creation of economic regional superstructures could be replaced by the meticulous establishment of more feasible superstructures, followed by the creation of their political lobbies. This would strengthen the role of the Federation Council or any substitute body stipulated in the Constitution (whatever form it may take). Territorial quotas could be set for government economic offices, up to and including one of the vice-premier positions.

The problem of "hot spots" or zones is unlikely to transcend the boundaries of the North Caucasus. Refugees will continue to be settled in **Prigorodnyy Rayon in North Ossetia** with an extraterritorial federal mediating body directing this process. This will be accompanied by the formalization of the now "voluntary" initiative of settling RF servicemen and their families along the boundary line between the Ossetian and Ingush communities. The slow migration of the South Ossetian population to North Ossetia will continue, and the ethnic Ossetian segment of the population of part of Prigorodnyy Rayon and Mozdokskiy Rayon will grow as a result.

The Russian-Georgian agreements, which could be carried out in full before 2000, might begin to be implemented in **South Ossetia** on the condition of the presence of a Russian peace-keeping contingent there. If Tskhinvali recognizes the Constitution of Georgia and the criminal, procedural, and civil codes in exchange for keeping its own name (the Republic of South Ossetia), parliament, and internal affairs and security agencies, it will have no armed forces of its own, but no regular Georgian forces will be deployed in the republic either. Coordinating structures under Tbilisi's jurisdiction will function on a completely official basis and will be located on adjacent Georgian territory. The Ossetians will have the right to fulfill military service obligations within the ranks of their "own" local Ministry of Internal Affairs, and Georgian border units and customs services will be manned on the basis of quotas, with citizens of the Ossetian nationality representing 85-90 percent of their personnel, including commanding officers. Moscow will continue to offer financing, but only in small amounts. South Ossetia will get most of its income from the operations of its section of the Transcaucasus Highway.

The **conflict in Abkhazia** will not be settled in the fundamental sense for both sides. Abkhazia is most likely to remain one of the unrecognized states, but Tbilisi will sign one or two agreements with it on transit freight and the welfare of refugees. This will be accompanied by the effective separation of Galskiy Rayon, which will continue to be settled by Georgian refugees beyond Sukhumi's control. This population will grow to the size required for the creation of operable pseudostructures overseeing the actions of collective peacekeeping forces in this zone. Russia would prefer to overlook the changing situation in Abkhazia and to compensate the Government of Abkhazia for its territorial losses by liberalizing border regulations (including maritime borders), but only on the condition of the continued presence of regular military contingents there.

Economic conditions will be more or less stabilized by favorable natural and climatic conditions for the development of agriculture and a barter economy and by the extremely important factor of the restoration of railway transport and the liberalization of border regulations. This could be accompanied by the stabilization of the population (except in Galskiy Rayon) or even by its relative growth (if the families of mid-level Russian servicemen stationed in Abkhazia move there from crisis-ridden Russian regions).

The **war in Chechnya**, in the form to which Russia and the world have almost grown accustomed in the last year, is likely to stop. Whereas the present war is a permanent struggle against armed units of the Government of Ichkeria, in separate locations but virtually throughout the territory of the republic, requiring considerable extensive efforts, the situation in and around Chechnya will acquire new features in the next few years. The flatlands of Chechnya will not become a zone of absolute peace, of course, but the population will move away from overt resistance and strive for various forms of peaceful coexistence with Moscow, virtually restoring the minimum required group of institutions and instruments for survival by means of barter transactions and self-reliance before 2000. During this process, periodic searches for terrorists and the verification of identification papers by federal troops in these regions will become commonplace to both sides and will turn into an unavoidable part of life. Furthermore, all active forces will strive for an unofficial gentlemen's agreement for the most painless avoidance of conflicts. The southern foothills and mountains of Chechnya, on the other hand, will remain the operational base for partisan subunits, which will focus on three types of operations: *1) the infliction of losses or damages on the Russian military contingent; 2) the acquisition of resources for the survival of the partisans and the population of the locations held by partisan units; 3) terrorist acts in Groznyy and in territories adjacent to Chechnya for propaganda purposes.* The periodic conclusion of ceasefire agreements with Russian representatives and the exchange of hostages and prisoners-of-war will continue.

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The "Afghan option" for the establishment of governmental authority in Groznyy is highly possible. In other words, one of the present leaders of Ichkeria could be recognized by Moscow as the leader of the Chechen Republic, but he would naturally be alienated from some of his former subordinates. Questions of status are likely to be addressed in a provisional agreement with the leader described above. Groznyy could become a de facto divided city, with the residential neighborhoods under the jurisdiction of the Chechen Republic (including agencies of the local Ministry of Internal Affairs), and with the airports and adjacent zones removed from the legal jurisdiction of the Chechen Republic (de facto and de jure) and turned over to a Provisional Administration, with a mixed contingent of armed forces of considerably reduced numbers (just a few mobile professional subunits) and part of the internal troops under its command. The separation of powers between the leadership of the Chechen Republic and Moscow could obviously be accomplished according to the same model: with local officials responsible for economic operations and law enforcement, and the Provision Administration in charge of strictly localized military bases and "special" operations. Military operations in the mountains could be conducted by subunits of the North Caucasian Military District not under the jurisdiction of the Provisional Administration.

The idea of the **pipeline from the Transcaucasus to Novorossiysk** is likely to be implemented in two forms by that time: 1) along the Caspian coast, bypassing Chechnya, to the existing pipelines in Rostov Oblast; 2) through the territory of Chechnya (to confuse potential terrorists).

Population growth will continue in the natural (births) and artificial (the return of refugees) sense and could grow more intense by 2000, and this will create pressure on jobs and simultaneously create a broad social base for the continuation of resistance in the mountains.

In any case, the Chechen crisis will not be settled before the start of the new millennium, but it will have turned into a unique symbiosis of the IRA (in terms of scales) and Sikh separatism (in terms of operating methods and duration).

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## Kazakhstan

### Kazakhstan: Isingarin on 4 States' Economic Integration

*964F2732A Moscow NEZAVISIMAYA GAZETA in Russian 29 Jun 96 p 3*

[Article by Yevgeniy Denisenko: "Integration Committee Set Up. The Main Task Is Synchronization of the Rate of Economic Reform"]

[FBIS Translated Text] **Kyrgyzstan**

Staffing of the Integration Committee of the "Four" will be completed within the next month, after which it will immediately take a number of important steps to implement the tasks it has been set. This was stated by Nigmatzhan Isingarin, chairman of the Committee, first vice-premier of Kazakhstan, who visited Bishkek recently and discussed the problem with the republican leadership and, in particular, with his deputy on the International Committee, Abdyzhapar Tagayev, vice-premier of Kyrgyzstan.

The staff of the Committee, which was set up this May in pursuance of the treaty signed by the presidents of Russia, Belorussia, Kazakhstan and Kyrgyzstan on expanding integration among the four nations, will comprise 60 employees. It will have several departments for coordinating cooperation in different areas. Specific aspects are to be discussed at the very first and follow-up sessions of the Committee scheduled for July 4 and 26. Two more meetings are planned for this fall. The talks on 4 July will involve the leaders of the republican ministries for cooperation affairs. The main topic will be improving partnership in the framework of the Customs Union, elimination of existing problems in this field, and synchronization of the rates of economic reform in the countries of the "Four." They will also discuss problems of developing relations in the transportation, trade and certain other spheres, of regulating external economic activity in the direction of its liberalization, etc.

In characterizing the essence of the Committee's work, Nigmatzhan Isingarin stressed that it was conceived not as a counterbalance but completely in the mainstream of common integration processes in the CIS and will be based on principles of close cooperation with appropriate structures in the Commonwealth framework. Thus, just a few days ago the Committee signed a protocol on cooperation with the CIS Executive Committee, a similar move is on the way in relation to the Interstate Economic Committee, and an appropriate document will be signed in mid July with the Interparliamentary Committee of Russia, Belorussia, Kazakhstan and Kyrgyzstan (it was set up at the end of May in Bishkek in the course of the council of the CIS Interparliamentary Assembly held there, where Almambet Matubraimov, speaker of one of the two chambers of the Kyrgyz parliament, the Assembly of People's Representatives, became its first head). According to Isingarin, the primary tasks include the resolution of vital problems of the "Four." In particular, at issue is ensuring mutual convertability of currencies, prevention of dual taxation, reciprocal recognition of qualification documents issued in each of the republics, as well as other questions which will be resolved in the nearest future through appropriate agreements on the bilateral level.

### Kazakhstan: Ospanov on Land Ownership, Use New Decree

*964F2703A Almaty KAZAKHSTANSKAYA PRAVDA in Russian 29 Jun 96 p 3*

[Article from KAZTAG: "A Civilized Land Market Is Being Formed"; Decree]

[FBIS Translated Text] **In accordance with the edicts, having the force of a law, of the head of the state of 22 December 1995, No 2717 "On Land," of 23 December 1995, No 2723 "On the Mortgaging of Real Estate," and the decree of the government of 12 January 1996, No 56 "On the Plan of Action of the Government of the Republic of Kazakhstan To Intensify Reforms in 1996-1998 and Expand the Plan of Measures of the Government of the Republic of Kazakhstan To Intensify Reforms in 1996," on 6 June of this year the government approved the procedure for pledging land parcels and the rights of land usage to guarantee mortgage loans, as well as the forms of agreement on pledging a land parcel or the rights of land usage to guarantee mortgage loans, or a mortgage certificate for a land parcel or the rights of land usage, transferred as a pledge.**

**Bakbit Ospanov, Chairman of the State Land Committee of the Republic of Kazakhstan, Commented on the Decree:**

A mortgage loan is an extremely important economic mechanism for supplementing the financial funds in the production and other spheres without diverting them from production itself. On this plane, the mortgaging of land parcels and the rights of land usage occupy a key position, since land parcels, as a basic means of production and a spatial basis, appear as the guaranteed object of a pledge for this granting of a loan.

The above-named government decree on the procedure for pledging land parcels and the rights of land usage is aimed at putting into effect the corresponding edicts of the President of the republic.

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This document establishes the list of land parcels and rights of land usage with respect to which pledge operations are not permitted. They include lands in general use in population centers (squares, streets, thoroughfares, shore roads, parks, boulevards and other objects in use by the public); those granted for defense needs; especially protected natural territories (nature preserves, national parks, historic memorials, forest reserves for recreation and health-improvement purposes and other land parcels included in land of this category); official land holdings.

Definitions are given for the terms "mortgagor" and "mortgagee" with respect to land parcels and the rights to land usage.

Considering the specific nature of a pledge of land parcels, the list of the necessary documents given to the mortgagee and confirming the right of the mortgagor to the land parcel is determined. In particular, these are a deed to the right of ownership of the land parcel and the right of permanent land usage or an agreement on temporary use of a land parcel, the written consent of those participating in common ownership of the land parcel or common land usage, the document on the assessed value of the land parcel, its plan, and information on the encumbrances on the land parcels. It must be noted that the mortgagee may, in each specific case, also require from the mortgagor other information having to do with the land parcel being mortgaged.

The decree also establishes the forms of standard agreement on pledging a land parcel and the rights to land usage to ensure the mortgage loan and the mortgage certificate for the land parcel.

Since the pledge of land parcels and the rights to land usage to ensure a mortgage loan are being applied for the first time in the republic, this decree may in the future be amended in consideration of practical work and accumulation of experience in this sphere.

On the whole, it appears that the achievement of pledge operations with land parcels and the right to land usage will be the start of determining the market value of land parcels and the formation of a civilized land market.

**Kazakhstan: State, Ispat-Karmet Settle Karaganda Basin**

*964F2778A Almaty EKSPRESS-K in Russian 9 Jul 96 p 2*

[Article by Stanislav Lesnev: "'Ispat-Karmet' Buys Karaganda Coal Basin; Now 60,000 Persons Work for Largest Investor in Kazakhstan"]

[FBIS Translated Text] **On 28 June, the government of Kazakhstan and the "Ispat-Karmet" company concluded an agreement on the purchase and sale of assets of 15 mines in the Karaganda coal basin, the "Vostochnaya" ore concentration factory, a plant for non-standard equipment, and 8 auxiliary subdivisions, plus the management apparatus of the former state enterprise "Karagandashakhtugol." "Ispat-Karmet" has thus become the owner of a large part of the underground coal-mining enterprises of the Karaganda coal basin. And, through this successful agreement, the government has absolved itself of the colossal problems and responsibility for the fate of the coal sector, which in recent months has been on the brink of total disintegration.**

As the general director of the "Ispat-Karmet" and "Ispat-Ugol" companies, Johannes Sittard, announced at a press conference held on this question, the 15 mines are the result of a compromise between the government, which wanted to sell all the mines of the GP [state enterprise] "Karagandashakhtugol" (there are 21 of them) and the "Ispat-Karmet" company, which was interested primarily in the enterprises serving Karmet. This referred to four mines which produced coking coal.

As of 1 July, Mr. Sittard announced, "Ispat-Karmet" bears full responsibility for those subdivisions which have been handed over to it. Henceforth, the mines are not legal entities, but shall become an inalienable part of "Ispat-Karmet." The company assumes the indebtedness on payment of wages to the workers of the acquired enterprises and subdivisions, although only those which are being transferred to "Ispat-Karmet." Mr. Sittard emphasized that an agreement has been reached between the government and his company regarding the number of these workers. These are practically all the persons working at the transferred enterprise as of 18 June of this year. All of them will receive a letter from "Ispat-Karmet" with an offer to work within the complement of the company. And, we must assume, they must consider this proposal. If they accept it, they will be transferred to "Ispat-Karmet," and the appropriate entry made in their work book. Mr. Sittard stated that the wage indebtedness would be repaid to all workers during July of 1996 "within the limits of the agreed-upon sums." These limits would be based on the balances of the transferred mines.

The agreement states that subsidiary subdivisions handed over to "Ispat-Karmet" will also serve those 6 mines which remain within the complement of GP "Karagandashakhtugol." "Karagandashakhtugol" itself is retained as a company within the complement of which the said 6 mines shall remain, as well as three ore concentrating factories and shops. "Ispat-Karmet" will also provide services to these subdivisions, emphasized Mr. Sittard. Thirteen subdivisions which were

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previously included in GP "Karagandashakhtugol" still remain outside "Ispat" and the mines. Mr. Sittard announced that his company is conducting negotiations with the government of Kazakhstan about how these remaining subdivisions will provide services to all of the 21 currently existing mines of the Karaganda coal basin.

Aside from the wage indebtedness to the transferred workers, "Ispat-Karmet" has agreed to conduct negotiations with the akhims [leaders] of cities and rayons on concluding agreements in the social sphere. "As you know," said Mr. Sittard, "last year a government decree transferred the social sphere of 'Karagandashakhtugol' to the local agencies of authority. 'Ispat-Karmet' will conclude an agreement with the akhims on financial aid to the social sphere. This aid will be computed based strictly on the number of our workers living in the various rayons."

The sum of the concluded agreement was not stated at the press conference. According to Mr. Sittard, the first part of the purchase price was to have been paid out before the end of last week, after certain additional documents were signed. The remainder of the purchase price will be paid out in the form of equal monthly installments for a period of 34 months. Aside from the purchase price, "Ispat-Karmet" promised to invest a sum of $100 million in the mines. As the head of "Ispat-Karmet" emphasized, the mines must develop a program of utilization of these $100 million in the next few years.

"Ispat-Karmet" purchased the mines in order to ensure regular permanent and long-term deliveries of coal for normal operation of Karmet, noted Mr. Sittard. Obviously, the production capacities of these 15 mines surpass Karmet's needs, and therefore it is important for "Ispat-Karmet" to ensure sales within Kazakhstan which, in his words, have priority over sales in third countries. The most important consumers of Karaganda coal are the energy sector and the railroad system. As for export, the most important market has been and remains the metallurgical combines of Russia and, as Mr. Sittard announced, he has already informed the chairman of the RF [Russian Federation] State Committee on Metallurgy of the fact that "Ispat-Karmet" is now the owner of the mines and is ready to begin negotiations on coal deliveries to Russian metallurgical enterprises. Our business plan, stated Mr. Sittard, envisions the continued growth of production in the coming years, and we hope to soon achieve the level of mining 15-17 million tonnes per year.

The general director of the "Ispat-Karmet" company explained that he has begun touring various mines and talking with the miners, informing them of the consequences which privatization of the mines and their sale to "Ispat-Karmet" entails. "Judging by my first impressions," he said, "the sale of the mines should not create any serious problems. Obviously, there will be a certain period of indeterminacy, specifically due to the fact that 'Ispat-Karmet' has not assumed the debts of the mines and that the government still has to appoint someone to head up 'Karagandashakhtugol,' which still owns 6 mines. This person will have to conduct negotiations with suppliers and middlemen."

As Mr. Sittard announced, "Ispat-Karmet" will conclude new contracts with suppliers and middlemen, and beginning on 1 July will assume full responsibility for deliveries and services provided by the mines.

Mr. Sittard avoided answering the question of whether the agreement was concluded as a result of bidding. He said only that he "was not the member of the tender commission" and that "all questions should be addressed to the government." The head of "Ispat-Karmet" could also not comment on the question of the most favored status regimen which, in the opinion of journalists, has been created for the company in Kazakhstan.

"If we were not satisfied with the results of our work after Karmet's purchase in 1995, of course we would not adopt the decision on privatization of the coal mines," Johannes Sittard emphasized. "I would also like to remind you that in May we privatized the TETs-2 [heat and power plant]. This was done only because, as of November of last year, we have had good relations with the state agencies. These good relations include mutual understanding on both sides.

Mr. Sittard does not hide the fact that there will always be some open questions remaining between the company and the state. One of these questions is, evidently, the mutual relations with the trade unions. Nevertheless, he once again reiterated that "Ispat-Karmet" is the largest investor in Kazakhstan. There are already over 60,000 people working for the company in Karaganda Oblast. "After transfer of Karmet, we proved," said Mr. Sittard, "that in a short time we were able to organize work there, to improve the conditions of the workers and to facilitate the life of the enterprise, the city of Gemirtau and all of Karaganda Oblast." Mr. Sittard is convinced that the transfer of the mines will have the same positive effect.

And what about the miners? The announcement of the sale of the mines' assets did not cause a stir. On the contrary, recognizing the absolute inability of the government to resolve the problems of the sector through its own efforts, the miners hope that at least "Ispat" will give them work and wages. The former general director of "Karagandashakhtugol," Grigoriy

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Prezent, who was appointed executive director of "Ispat-Ugol," stated that he perceives the agreement with optimism. The mine directors and specialists are also ready to work with "Ispat." "The people need good work and good wages," he said.

The prospects of the six mines, four ore concentration factories and subsidiary subdivisions which have not come on board do not appear bright. Moreover, a list of 16 enterprises has been compiled, which "Ispat-Karmet" will acquire supplementally to the contract. But how many and when is not quite clear. The government has not been able to sell the basin in a "packet," and it is unlikely that an investor will be found for the remaining ballast, which mines primarily low-grade energy coal. Many are predicting a quick death for these mines, in addition to those five which are already officially closing. However, the government has not allocated the promised funds even for their liquidation. "Ispat-Karmet" is in fact becoming the sole owner of the entire operating coal basin, the former "third coal stoker" of the former USSR.

**Kazakhstan: Kazakhstankaspiyshelf President's Outlook**

*964F2652A Alnmaty EKSPRESS-K in Russian 25 Jun 96 p 4*

Interview with Baltabek Kuandykov, by Sergey Leskovskiy and Nail Ishmukhametov: "Baltabek Kuandykov, president of the 'Kazakhstankaspiyshelf' AO [joint-stock company], says, 'There Will be Oil, and There Will Be Fish'"

[FBIS Translated Text] **The recent joint and unprecedented trip by N. Nazarbayev and A. Kazhegeldin to the locations of Caspian oil deposits provided them with a reason for meeting and speaking to B. M. Kuandykov, president of the "Kazakhstankaspiyshelf" company, concerning the prospects for developing the region as a whole and the search for oil deposits on the bottom of the northern part of the Caspian in particular. The participants in the study and development of the Caspian Shelf include such famous companies as AGIP (Italy), British Gas and British Petroleum (Great Britain), Total (France), Mobil (United States), and Shell (Netherlands), which have been united into an international consortium.**

[Kuandykov] Our company has been operating for three and a half years. In a month or a month and half the first stage of the marine-seismic operations will be ending. The rest of those operations will be carried out in the company offices in Almaty and Atyrau. The processing of the obtained data will take an additional half-year. Naturally, everyone is interested in the question of when the first Caspian oil will be produced. This is a slow process. In the event of success, the first oil will be produced no earlier than the year 2003.

[Interviewer] It is noble of you not to promise to complete the program in 500 days...

[Kuandykov] Well, that is impossible, even if one considers the latest technology of the foreign companies and the fact that we are operating ahead of the schedule. Judge for yourself. The preliminary operations at the famous Tengiz deposit began in the early 1970's, the exploitation of the deposit began in 1978, and the first Tengiz oil did not appear until 1991. It took a total of 13 years! If one considers that our path is, to a large extent, uncustomary and unknown, the deadlines will not seem to be so long. Until recently oil from the bottom of the Caspian was produced only in Azerbaijan — at the world-renowned Neftyanyye Kamni, a city on piles that was built in 1949. It is as though we are discovering everything anew. The surveying operations will be completed in the middle of next year. Simultaneously, negotiations are being conducted with our foreign partners concerning the next stage — the drilling of the first test wells. This can be begun by the autumn of 1997, prior to the cold spells, but if would be better if we engage in the drilling in the spring of 1998, after the ice melts. And by the autumn we will be able to talk about the scope of the discovery. Although right now not only the foreign scientists, but also the domestic ones, are convinced that the Caspian Sea basin is one of the most promising in the world. This is also attested to by the geological materials and the aerial photographs from space. Even geographically the prospecting is justified: on the east is Tengiz, and on the northwest, the Astrakhan Deposit. And each of them is unique. It cannot be that the oil ends at the edge of the sea.

But, unlike land deposits, alongside of which some kind of infrastructure has been created, we begin the marine prospecting practically from ground zero. We have been pumping oil in Kazakhstan for a hundred years, but we have not produced any from the sea. There are no specialists. There are no shore structures or storage tanks. There is no auxiliary fleet. There are no pipelines or refineries. Even in order to eliminate an equipment breakage on a small geophysical ship, it is necessary to send it either to Astrakhan or to Baku. Because we do not have the normal facilities accompanying us, and we need them!

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In addition, we are operating in an ecologically vulnerable zone that has been declared to be a preserve. Therefore we observe all the instructions and recommendations made by the ecologists. And I shall say more than that: in the future we intend to build in the vicinity of Atyrau fish farms for reproducing fish in the sturgeon species. If the matter is handled intelligently, it is also possible that commercial ships can engage in fishing. As you can see, we are also thinking about moral categories.

[Interviewer] That is a good answer to skeptics who feel that nothing will remain for our descendants. On the other hand, one cannot remain a "dog in the manger" and do nothing, sitting on incalculable wealth...

[Kuandykov] For 25 years I have been working in the geological prospecting system. I was born and brought up in Atyrau Oblast. It is painful for me to see the poverty that people are living in there. Isn't it shameful — to produce so much oil and not to get out of poverty! Take Kuwait or Saudi Arabia, which have attracted foreign investments successfully for a long time. I feel that our research will give Kazakhstan tremendous benefits. True, foreigners do not always understand us when they see that we are engaging not only in the basic work, but also in the development of parallel spheres. Things are easier for them: they pay taxes for the development of the social structure, but we, as a young state, have to engage in everything.

Incidentally, last year, for the Atyrau clinic, we bought the latest equipment, which is called an "artificial kidney." Previously that used to exist only in the West and in Moscow. But today people from Aktyubinsk, Ural, and Mangistau oblasts go to Atyrau for treatment. Soon we shall complete operations on a desalinization unit that will provide fresh water to Bautino and Fort-Shevchenko. The Aktau unit has become obsolete, and its capacities are no longer sufficient for even the oblast center. It is frightening to recall that fresh water used to be delivered to Bautino and Fort-Shevchenko from Baku or Makhachkala, although from Aktau the neighboring towns are situated a total of 140 kilometers away. It used to be that after a long winter the water would be coming to an end, and people would melt ice from the Caspian. But that too was not fresh water... The desalinization unit that we are installing was made on the basis of Israeli technology, and costs $4.5 million. Activation is planned for the last ten-day period in August, on the one-hundred fiftieth anniversary of Fort-Shevchenko. In Bautino we have started up a new canned-fish shop with German equipment, with a cost of $1.5 million. Currently it is operating on run-in mode. German specialists are helping the local workers to assimilate the computers and the automated equipment.

[Interviewer] Won't it turn out that you will become, with time, the country's most important breadwinners, since the stake is being placed on oil and gas?

[Kuandykov] I cannot say that. That would be very self-sufficient and vain. But we will nevertheless be among the basic breadwinners.

[Interviewer] Everyone knows the steep trail that had to be taken in lobbying Russia's interests with regard to the KTK [Caspian Pipeline Consortium] question. Don't you sense that?

[Kuandykov] Yes, in principle that did occur. There is a certain discomfort. And more likely on the part not of the Kazakhstaners, but of our foreign partners, who have become accustomed to judicial perfection. But the statements have already been signed by Nazarbayev and Yeltsin, and by Nazarbayev and Rafsandzhani. These bilateral decisions must be viewed as the prerequisite for the adoption of the final and complete document on the status of the Caspian Sea. Work in this direction is being carried out by MID [Ministry of Foreign Affairs], and I am part of the commission. I can say that this is a complicated problem and cannot be resolved quickly. I would give as an example Norway and Russia, which for 20 years have been conducting negotiations with regard to border questions in the Barents Sea. Nevertheless, both countries are working together harmoniously, without violating one another's interests. I think that this question will also be resolved here. It is difficult to talk about deadlines — whether it will take a year or two. But the signing of a document on the KTK is already a positive step.

[Interviewer] Do you preclude the possibility that, with the passage of time, Russian companies will also become part of the consortium?

[Kuandykov] That possibility is probable. Russian specialists can work in the Kazakhstan sector, and ours can work in the Russian sector. Why not?

Today the operations in the first stage — oil prospecting — are coming to an end. Before the end of the year, in the final analysis, we are supposed to use something of the order of $200-210 million. In the second stage, immediately before production, we shall conclude new contracts and agreements with our foreign partners. As of today "LUKoil" and "Rosneft" — the leading Russian oil companies — are showing interest in us. In addition, we are conducting negotiations concerning the possibility of cooperation with the Astrakhan Shipyard — today it is operating under a 30- to 40-percent workload. It is unprofitable and absurd to build a shipyard of this kind in Kazakhstan. And the situation is the same with platforms — it is more profitable to

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buy them in Baku. That is, all the countries around the Caspian have a real opportunity for integration.

[Interviewer] With the passage of time there will inevitably arise the question of transporting the oil. Do you think that, in the future, the interests of the KTK and the consortium will become the same?

[Kuandykov] I would scarcely think so. After all, the KTK was created for producing Tengiz oil. When Tengiz gets up to its planned capacity, the Russian and Azerbaijani oilmen will hook onto their pipeline in order to deliver their output to the Black Sea ports. I think that it will be necessary to build other mainlines also. But there is no contradiction here. Although, perhaps, at the initial stage we will be able to take advantage of the KTK pipelines — everything depends upon the scope of the discovery.

[Interviewer] Nevertheless, Baltabek Mukhanovich, when will the Caspian's big oil begin to move?

[Kuandykov] I think that by 2015-2020 Kazakhstan will produce 120-125 million tons of oil a year — that is 5-6 times more than is being produced today. Of that amount, as a minimum 50 percent will come from marine production. Its share will keep increasing from year to year. And if we forecast the situation to the year 2050, the percentage of marine oil in Kazakhstan will reach 80-85 percent of the total figure. One can give the example of small Norway once again. Thirty years ago not a gram of oil was produced there, but today that country, with a population of 4 million, produces 150 million tons! And all 100-percent is from the bottom of the North Sea! Norway today is among the world's leaders in the export of oil. In 1993 I was in Norway. Naturally, I asked about their problems. I was told that their main concern was the effective investment and use of the currency coming in from the exporting of oil. For future generations. At that time I thought, "We would like to have your kind of worries!"

**Kazakhstan: January-May Industrial Production Figures**

*964F2692A Almaty DELOVAYA NEDELYA in Russian 28 Jun 96 p 3*

[Article by DELOVAYA NEDELYA correspondent Sergey Volkov, under rubric "Tabloid Information": "We'll Hit Them With Our Production Figures!"]

[FBIS Translated Text] *"The most pleasant can be made the most unpleasant. All it takes is to exceed the measure." —Epictetus.*

**However much we journalists may cry, bitterly complaining about the lack of "first-hand" information, everything in this matter still remains in approximately the same place. Whoever you ask, in the offices and corridors of power, about any reference book or tiny little decree, you almost immediately encounter his crude glance and a cold "Good-bye!" But the world is not without good people, and this time DELOVAYA NEDELYA has been lucky.**

The editorial office has been provided with interesting materials linked with the work of the Ministry of Industry and Trade during the current year. We decided not to venture deeply into the tangles of analysis but, instead, to allow the readers themselves to think about we shall present.

As can be seen from the table, the absolute leader is **NONFERROUS METALLURGY**. And that, in general, has already become a good (or is it on the contrary?) tradition. Practically all the previous ten years of restructurings and uncompleted projects, the enterprises in that branch succeeded in remaining afloat. But recently the people in nonferrous metallurgy have in general gathered so much momentum that in May, instead of the production volume of 6.9 billion *tenge* that was stipulated by the target indicators, they managed to produce 8.06 billion.

[Table, converted to text]

**Index of Physical Volume of production in January-May 1996, by branches handled by Ministry of Industry and Trade (Source: RK [Republic of Kazakhstan] Ministry of Industry and Trade)**

Total for the Ministry, in percentage, May to April 1996: 108.1

In percentage, January-May 1996 to corresponding period of 1995; in percentage, May to April 1996; For information purposes: January-May 1995, in percentage to corresponding period of 1994:

Ferrous metallurgy: 87.0; 99.1; 124.2 Nonferrous metallurgy: 112.6; 113.9; 124.2 Chemical industry: 77.3; 97.8; 156.0 Machine-building: 85.2; 114.7; 65.8 Light industry: 84.3; 91.1; 38.8

And here are the figures that characterize the work of the two leading enterprises in nonferrous metallurgy. "Zhezkazgantsvetmet" AO [joint-stock company]: during the first five months of 1996, the indicator of production of copper ore constituted, as compared with the corresponding period of last year, 127.8 percent: its processing, 130.9 percent; production of refined copper, 153.0 percent. Zhezkent GOK [mining and concentration combine]: production, 113.9 percent; processing, 115.1 percent; production, 118.0 percent.

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In **FERROUS METALLURGY** the situation that is most interesting is the one at Karmetkombinat. The indicators for the basic types of output there in May, as compared with the previous month, are as follows: coke, 98.4 percent; finished rolled metal, 82.4 percent; tin plate, 100 percent; pig iron, 102 percent; and steel, 106.4 percent. But the basic reasons for the slump in the branch as a whole are linked with sales difficulties and limitations with regard to the shipment of electrical energy from Russia.

In May 1996 a production slump occurred at the following enterprises in the **CHEMICAL INDUSTRY**: "Khimprom" AO, by 9 percent as compared with April, as a result of the lack of working capital; the "Karbid" AO, by 13 percent, as a result of the repeated turning off of electrical energy by the suppliers; at the "Nodfos" AO production was completely stopped because of the cutting off of the supply of electrical enemy; "Polipropilen" AO, 14 percent slump as a result of the lack of working capital. In general, the enterprises' lack of funds in any form is the first scourge of the Kazakhstan economy. And while, at the top, there is a discussion of stabilization and macroeconomization, the ordinary working people are drowning from lack of money

In **MACHINE-BUILDING** the production volumes during May, as compared with April, were distributed as follows, by groups of enterprises:

— for enterprises included in the "Stankomash" GKKh [city minicipal services]: 80.68 percent;

— for enterprises included in the "KRAMDS" NAK: 98.09 percent;

— for enterprises under the jurisdiction of the Main Administration of Machine-Building and Mobilization Preparation, of Ministry of Industry of Trade: 89.80 percent.

The difficulties in this branch are influenced by the same factors that were indicated above. The chief one is the lack of money. For example, the extent to which the incurred debt exceeded credit debt in the machine-building industry came to 9.2 million *tenge* by June.

In **LIGHT INDUSTRY** there was a production slump of 15.7 percent. Fabric production during the first five months of 1996 dropped, as compared with the corresponding period last year, by 27.7 percent, and production of socks and stockings, by 56.8 percent.

On the whole, as we can see, the situation in Kazakhstan industry, despite the macroeconomic and other successes, currently leaves much to be desired. The entire series of problems that have accumulated during recent years is, as yet, unresolvable. Although definite shifts have already been noted, and one can only hope that the year 1996 will become a crucial one in carrying out the reforms.

### Kazakhstan: Svoik on Azamat Founding Conference Result

*964F2749A Almaty DELOVAYA NEDELYA in Russian 5 Jul 96 p 2*

[Article by Aytul Abdysalimova: "Azamat, Take Your Place in the Formation as a Warrior"]

[FBIS Translated Text] **The Almaty branch of the Azamat public movement held its founding conference last Saturday. During it, movement co-chairman Petr Svoik presented a report.**

The new Azamat public movement was established in April of this year on the initiative of a number of representatives of the scientific and creative intelligentsia. Among the initiators were academicians Umurlak Sultangazin and Toregeldy Shormanov, and Kazakhstan folk artist Asavali Ashimov. [Translator's note: Names are barely readable] In the very beginning, when the group of scientists, artists, writers and journalists appealed to all of the republic's inhabitants in an open letter published in the newspaper ARGUMENTY I FAKTY V KAZAKHSTANE, doubts arose as to whether the movement would be viable. This is obvious]y why Azamat started devoting its greatest attention from the very first days to the movement's organization. The founding conference brought representatives together from all of the oblasts. The founding conference of the Almaty branch was confirmation that the initiators were able to put their finger on what ails the society.

In comparison with April of this year, the goals of the established movement and its program principles were stated more specifically in Petr Svoik's report. As before, Azamat favors dialogue among all progressive forces of the republic. This is precisely why the proposal was made to create a permanent round table that would bring together representatives of public associations, political parties, trade unions, organizations of entrepreneurs, parliament, government and the president. Such a round table would, in the opinion of Azamat co-founders Toregeldy Shormanov, Murat Auezov and Petr Svoik, promote stability and solution of the economic crisis. The platform of the round table has been drawn up. It contains five sections explaining the causes of the society's destabilization, and it indicates what policy the government should pursue to eradicate the indicated causes. The political reforms and their consistent implementation occupy a special place.

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To be sure, the proposal is far from new. Attempts to convene representatives of the government and of nongovernmental organizations had been made before, but none of the initiatives ever got off of the ground. The authorities create the appearance that political parties and public movements do not exist in our country. And the latter are so small and have so little material support that the masses don't even know of their existence. But now a new attempt. However, many skeptics are already talking about another failure, citing the previous experience. Time will tell whether all of this will remain as good intentions, or enjoy continuation. In the meantime it would have to be admitted that the time for this was selected fortuitously. Despite all of the bias of television broadcasters, other mass media and the government itself, the presidential elections in Russia showed that the choice is made by the people, and that they cannot be bought with combines and tractors and with dismissals of generals. One other thing. Our neighboring state defined Kazakhstan as a democracy. Russians can say today that they are living in a democratic society. And this is despite the threats of the presidential assistant for national security. Regardless of their outcome, the presidential elections showed that the masses can have an influence.

This process is also starting in our country, albeit very, very slowly. This is why Azamat can gather together broad segments of the public beneath its banners—a public that cannot remain on the sidelines when its interests are at stake. Many already understand that the same party-Soviet methods continue to exist in political life under the cover of democratic slogans. Real power belongs to the executive branch, which forms both representative and judicial power. The party nomenklatura has been replaced by a clan-based bureaucratic nomenklatura. The market is being erected for the elite of this nomenklatura, while all others remain on the outside. And if the Azamat movement manages to capitalize on all of the failures of the government, it will achieve a following.

In his report, Petr Svoik asserted that Kazakhstan society had reached a political dead end. All real power is concentrated in the hands of the president. However, besides transferring enterprises to the control of foreign companies, the executive hierarchy has not proposed anything. Political parties and public organizations have been displaced from political life, and are unable to effect changes. The current parliament has no constitutional powers. Dissatisfaction evoked by chronically late payment of wages, pensions, social assistance etc. is steadily growing in the society. Under such conditions the round table is seen as a means by which to avert a social explosion. However, most likely Azamat's appeal will remain unheard. Obviously when the society experiences fundamental changes (such as disintegration of the Union and appearance of sovereign states), power must be concentrated in the hands of one person. But isn't the present situation painfully reminiscent of the well-known "period of stagnation"? All the more so because the same people are at the helm.

One other specific proposal was made at the founding conference: forming a base of social consensus for development of a new government policy. The reference was essentially to creating a government trusted by the people, and adjusting the goals and mechanisms of the reforms. Azamat proposes continuing the constitutional referendum. Transforming parliament into a full-fledged legislative and representative branch of power, separation of the electoral system from the executive hierarchy, and establishment of real local self-management should become the next step. This is specifically the foundation upon which the movement proposes to build the society. We can only hope that the appeal of the new movement will find its supporters, just like in that poet's invocation in the 1920s: "Azamat, take your place in the formation...."

**Kazakhstan: Almaty Airport-Lufthansa Deal 'Scandal'**

*964F2702A Almaty PANORAMA in Russian 28 Jun 96 No 25, p 10*

[Article by Yekaterina Latypova: "If There Is No Reaction to the Demand To Cancel the Contract With Lufthansa, the Pilots Intend To Go on Strike"]

[FBIS Translated Text] On 27 June, the Central Committee of Aviation Workers of the Republic of Kazakhstan held a meeting of the ispolkom [executive committee]. At the meeting they discussed the professional association's strategy and tactics in the period of reorganizing the National Air Company and of course, the social and economic problems of the work collective of the Aeroport Almaty AO.

As PANORAMA has already reported (Nos 23, 24), by order of the Prime Minister, the Aeroport Almaty AO was leased to a subsidiary firm of the German company, Lufthansa — the Lufthansa Airport and Ground Service of Almaty. Moreover, the contract was signed by the deputy chairman of the GKI [State Property Committee] (the owner of all the shares of the AO) and a Lufthansa representative. The directors of the NAAK and the airport were not notified of this. The collective of the AO and the trade union of aviation workers were indignant at this and were in a resolute mood, even though they realize that it is hard to argue with an officially certified document. They

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suspect that the transfer of the profitable airport to the fiduciary administration of Lufthansa, subsidized by the FRG government, was made with numerous violations of various legislative acts. The latter may have serious consequences, the pilots claim: in particular, a sharp rise in the rates of airport fees with a lack of competitiveness of the existing fleet of aircraft equipment.

As a result, the directors of the Aeroport Almaty AO claim, the Kazakhstan air transport market may fall to nothing, but on the other hand, Lufthansa will become a monopolist on it. In this case, the fact that the Lufthansa air company is known throughout the world for its high level of service, which cannot be said about the NAAK, Kazakhstan Auye Zholy. For example, a one-time staff member of PANORAMA, who had flown from Atyrau to Alma-Ata, because of a "telegram from the vice-president of the NAAK" which ordered the crew to change the route, for some reason found himself in Kokshetau instead of the capital. Anyone, even superficially familiar with geography would call such a route totally absurd.

The contract, Kazakhstan pilots claim, has no clause on investment by the German company in the construction of a second runway, which was halted because of lack of funds.

Incidentally, as far back as 1992, PANORAMA wrote about the unsuccessful intention to construct it which was expressed earlier by the Italian firm, Codest. At that time it was termed almost the construction project of the century.

Passions are increasingly heating up about the Aeroport Almaty AO. The representatives of the aviation enterprises of various cities in the republic who attended the ispolkom expressed the fear that the same fate awaits other profitable airports in Kazakhstan. According to their predictions, the next one may prove to be the Karaganda airport, which has long aroused the interest of a number of foreign firms, and next —Pavlodar and Akmola.

In order to avert these prospects, the aviation workers' trade union has decided to create a precedent and submit a notice of suit to the court on recognizing the contract with Lufthansa as illegal.

For the time being, however, the Oktyabrskiy Rayon and Alma-Ata City courts have refused to accept the corresponding application.

The trade union is now planning to petition to protest the premier's order at the office of the Procurator-General, which was reflected in the decree of the Central Committee Ispolkom.

To all appearances, the rigid position of the Kazakhstan pilots does not stem only from fears for the fate of the "home enterprise." It is obvious that with the arrival of the new administration, the requirements for work will change. In any case, the so-called passenger service for the airport of the capital of Kazakhstan has been often mentioned recently at almost all the representative meetings — the arguments of the highest leaders of the republic in this case sound like this: "it is at the airport that foreign visitors get the first, and by no means the most pleasant impression of the state."

Meanwhile, other sectorial trade unions have expressed solidarity with the pilots, have signed appeals to the President, parliament and the government on the impermissibility of transactions of this sort and intend to support all the acts of protest. Incidentally, there was serious talk at the ispolkom about the need, as a last resort, to fall back on a strike of all the aviation enterprises in the republic.

On the other hand, on 25 June there was a meeting of the presidium of the government, under the direction of Garri Shtoyk, first vice-premier, at which there was an examination of the initial measures for financial and economic improvement of the NAAK Kazakhstan Auye Zholy, of which the airport was a subdivision until recently. The government has outlined a number of measures to improve the financial indicators of the air company.

**Kazakhstn: Trade Unions Protest Lufthansa-Almaty Deal**

*964F2776A Moscow KOMMERSANT-DAILY in Russian 28 Jun 96 p 9*

[Article by Lenonid Odikhmantyev and Igor Shestakov under "Scandal in Almaty" rubric: "They Do Not Want To Give the Germans the Almaty Lease"]

[FBIS Translated Text] **The decision made by the Government of Kazakhstan to lease the Almaty airport to the German Lufthansa for five years and the decision of the airline, in turn, to invest $150 million in its reconstruction (KOMMERSANT-DAILY reported on this) has caused a scandal. The participation in it of the central committee of the trade union for the republic's aviation workers and branch trade unions, who had come out vigorously against the deal, gives the matter the nature of a serious social conflict. By the way, a number of independent observers think that the conflict was also caused by several other reasons.**

Initially Boeing and the English company Sepco, which were prepared to invest $20 million in the reconstruc-

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tion, sought the right of a three-year lease of the airport. But then Boeing refused to participate in the reconstruction of the Almaty airport, presumably in favor of a possible analogous project in Tashkent. The English also decided not to participate in the project. After this Lufthansa received the right to the lease but this time for five years. Under the conditions of the concluded contract, Lufthansa will receive only 10 percent profit from its operation, whereas 90 percent will belong to the Government of Kazakhstan.

After the conclusion of the contract, nevertheless, came the sharp negative reaction of the airport work force and Nikolay Klimenko, chairman of the republic trade union for aviation workers, which he expressed in an interview with several of the local mass media. In the opinion of Klimenko, the decision of the government on the leasing of the airport to Lufthansa was "rash and not fully thought out." With the appearance of representatives of Lufthansa in the management of the airport, the prerogative in the servicing of flights will be turned over to foreign airlines and this will seriously infringe on the interests of the state airline of Kazakhstan and several other local private air carriers.

The Committee for the Management of State Property of Kazakhstan responded to the demarche of Nikolay Klimenko by declaring that there is no other way to modernize the airport at this time. Moreover today it is working at a loss and the republic has no funds for modernization. The atmosphere around the Lufthansa project began to heat up. And after the decision of 27 branch trade unions of Kazakhstan to oppose the leasing of the airport to the Germans, the story became a major scandal. This is all the more so because, according to a report by ITAR-TASS, appeals of airport workers and trade union activists, in particular, to President Nursultan Nazarbayev, deputies of parliament, and the general procurator's office assert that at the present time Lufthansa is not experiencing the best of times. Having suffered operational losses of $131.6 million in the first five months of this year, Lufthansa supposedly is not opposed to putting its affairs in order in Almaty. In the opinion of the trade unions, it is a matter of the striving "of the government to give material support to foreign aviators." At the same time, the airport of the capital of Kazakhstan is a profitable enterprise. Last year its work force received 747 million tenge in profit and paid to the state in the form of taxes 239 million tenge (under the official exchange rate, one U.S. dollar is equal to 67.9 tenge).

In response, the cabinet of ministers of Akazhan Kazhegeldin presented its counterarguments. Basically they amount to the fact that the runway at Almaty airport has been in use for more than 28 years, whereas the construction of a second runway has been suspended, whereby construction debts have reached $12 million. In addition, the level of services and the equipment of the capital's airport are deplorable. Lufthansa is planning $17-18 million in the next five years just for the development of the airport.

It is difficult to say who will prevail in the conflict. Some local observers do not rule out the possibility that the higher authorities will still support the airport workers. As an argument, they present the intention of Lufthansa to set prices at the world level for all airport services. This will cause a doubling or tripling of the cost of airline tickets and they will be beyond the means of the absolute majority of the inhabitants of the republic and managing persons. Under one version, however, the conditions of the lease and the participation of Boeing and Sepco in the reconstruction of the airport more nearly suited the personal interests of many interested individuals and the switching of the contract to Lufthansa caused their negative reaction in response.

### Kazakhstan: Power Engineering Cooperation With Dutch

*964F2745A Moscow DELOVOY MIR in Russian 27 Jun 96 p 2*

[Article by Ivan Dimov: "A Glass of Champagne—To the Health of the Future Electric Power Station"]

[FBIS Translated Text] **President Nursultan Nazarbayev looked especially important in his elegant grey suit: Toasting the just-signed memorandum on mutual relations between the government of Kazakhstan and the Dutch company ABB Energy Ventures B.V., he blessed his republic's future energy independence.**

"Of course a memorandum is not yet a contract. However, we've traveled more than half-way on the road to cooperation," declared Armin Mayer, executive vice-president of ABB group. The entire package of documents will be ready by 25 July, which will doubtlessly be his best possible birthday present, as Mr. Mayer modestly noted. And in fact, this is a real gift: The foreign firm was given permission to build a coal-burning electric power station. The first two generations of the station are designed to produce 640 megawatts, and in the future its capacity can be increased by a minimum of five times. If the parties reach agreement, the station will remain as the firm's property for two decades. It is interesting that ABB is prepared to begin construction without state guarantees, using Kazakhstani and foreign capital, including its own. The investment shares, and

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consequently the profit distribution, have yet to be determined. But there can be no doubt that profit is guaranteed.

Transnational ABB enjoys a strong business reputation. It produces oil and equipment for oil production, it lays telecommunication lines, and it builds the most diverse facilities on practically all continents. Hundreds of its affiliates and subsidiary enterprises throughout the world employ hundreds of thousands of people, allowing them to maintain a high standard of living. For example workers at plants of ABB Nera in Norway producing equipment for telecommunication systems receive an average of $2,000 while engineer get $2,300.

ABB began making its way into Kazakhstan practically right after the republic gained independence. The firm supplied equipment for oil fields and gasoline stations, and it established a joint venture producing condensers in Ust-Kamenogorsk, in Kazakhstan's east. And in the republic's west, in Aktyubinsk, it subjected the operating thermal electric power station to major repair. It is interesting that not only has the firm not refused the services of local specialists, but it even encourages them everywhere and at all times. A fundamentally new construction project is now in the wings: in one of the most sparsely populated corners of the republic, in the north of Dzhambul Oblast, on the shore of Lake Balkhash. Specialists of the Kazakhstan Ministry of Energy and Coal assert that the plan for the station is highly economical, and meets European standards. We will hope that this opinion will be consistent with evaluations by the Ministry of Ecology and Biological Resources, which has yet to render its decision.

Possessing enormous reserves of energy resources—coal, oil, gas and uranium, Kazakhstan suffers a chronic shortage of electric power, especially in the south of the Kazakhstan. It is now being covered by imports from Russia, Uzbekistan and Kyrgyzia, which distracts significant foreign exchange resources. The fact is that with its enormous economic potential (oil refining, fertilizer production, uranium ore mining), southern Kazakhstan was oriented on Central Asian power systems, which covered up to a fourth of the demand of Kazakhstan's enterprises. As we know, large hydroelectric and thermal electric power plants are located in Central Asia, and they eagerly shared electricity as long as the USSR was in existence.

From the first days of formation of a sovereign state, energy independence became the slogan of the day, and President Nazarbayev became an avid proponent of such independence. In spite of his critics, who cannot understand why the president personally blessed a purely technical project, he continues to maintain control over the problems of energy supply and fuel resources. While he limits his personal participation, in exceptional cases he appears personally at ceremonial signings of the most important projects. Such was the case with the American oil company Chevron, when the president signed the papers himself. Such was the case with ABB four years later. This time, though, the documents were signed by Garri Shtoyk, Kazakhstan's deputy prime minister. In an exclusive interview with this correspondent Garri Gvidovich pointed out an interesting detail: The government of Kazakhstan is presently considering a number of projects funded by foreign capital and involving use of alternative energy sources (solar, wind). In this case these will be small electric power stations supplying simple industrial buildings. After several years of operation they will revert to Kazakhstani ownership. And we will not have to wait 20 long years for this to happen.

What is the cost of the project? The answers journalists received were evasive. However, they were able to learn that $340-350 million will have to be found just for the equipment for the first generation. But here is what's interesting: ABB itself intends to seek this money. Its representatives are certain of success in their search, since Kazakhstan enjoys political stability and a favorable investment climate.

### Kazakhstan: British Trading Group Plans Aluminum Plant

*964F2688A Moscow KOMMERSANT in Russian 14 Jun 96 p 9*

[Article by Kirill Vishnepolskiy, under rubric "Trans-World Group Project": "A New Aluminum Plant Will Be Built in Kazakhstan"]

[FBIS Translated Text] **The English trading company called Trans-World Group (TWG) has circulated a communique to the effect that the construction of a new aluminum plant will begin in Kazakhstan, and that the capacities of the Pavlodar Aluminum Plant will be increased. After the carrying out of the project, a complete technological chain will be created in Pavlodar —from the production of electrical energy and alumina to aluminum and rolling. That communique had an effect on the Russian aluminum market of an exploding bomb: no one could have assumed that within the next ten years or so such a powerful competitor may appear alongside of the Russian aluminum producers.**

[KOMMERSANT commentary] *The Trans-World Group is one of the world's largest producers and sellers of aluminum. Its sphere of interests also include steel, chemicals, fertilizers, and cotton. Since 1992*

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*TWG has been actively participating in the privatization of the metallurgical enterprises of the former USSR, and owns or controls shares of the Sayanskiy, Bratsk, and Pavlodar aluminum plants, the "Ferrokhrom" Association, the Donskoy GOK [mining and concentration combine], the Yermak Ferroalloys Plant, and the Gyandzhinskiy Alumina Plant.*

On 6 June 1996, in London, Kazakhstan Prime Minister Akezhan Kazhegeldin and TWG chairman David Ruben signed a protocol of intentions, according to which TWG becomes Kazakhstan's strategic partner in building a new aluminum plant. As is reported in a press release circulated by the company, the work of carrying out the project will begin in a half-year or a year, and will end in 2001-2002. According to David Ruben, in order to implement the project, the interested parties (TWG, the English Whiteswan Ltd. company, the "Alyuminiy Kazakhstana" AO [joint-stock company], and the RK [Republic of Kazakhstan] government) will create an AO in which TWG "would prefer to have a major block of shares, inasmuch as it will play a leading role in guaranteeing the financing of this project" (its total cost is $1.2-1.5 billion). The capacity of the new plant is 250,000 tons of aluminum a year, with a possible increase of that capacity to 400,000 tons. In order to provide the plant with raw materials, it is planned to increase the capacity of the Pavlodar Aluminum Plant (PAZ, the only alumina producer in Kazakhstan) from the present 1.1 million tons to 2 million tons of alumina a year. As was reported to KOMMERSANT by David Ruben, after the end of the construction it is also planned to organize the production of rolled metal, as a result of which a chain from the mining of bauxites to the production of finished aluminum and rolled aluminum will be created in Pavlodar. The output of the new enterprise will be delivered to Southeast Asia, Europe, and North America, and the sale of the aluminum reprocesssings will be promoted by the planned transfer of the capital of RK from Almaty to Akmola.

Russian aluminum producers were unpleasantly surprised by the prospect of having such a strong competitor alongside of them. As early as the beginning of June, Leonid Krylov, chief metallurgist at the Sayanskiy Aluminum Plant, told a KOMMERSANT correspondent: "Thirteen aluminum plants were built in the USSR and I think that within the next 20 years their number will not increase — there is no reason why they should. Even the existing capacities are not completely loaded." Igor Prokopov, president of the "Alyuminiy" AO (association of the major aluminum enterprises in the CIS), told KOMMERSANT: "Other aluminum enterprises are also being built throughout the world, and if all of them are put into operation at the same time, the consequences will hard to predict. Incidentally, announcing the construction of a plant does not mean building it." Another representative of the "aluminum public," who wished to remain anonymous, stated his opinion as follows: "Beginning construction of a plant now 'from ground zero' is absurd. What is the economic desirability of this project? It is just gigantic expenses and the freezing of funds for 5-6 years." One of the persons who spoke to the KOMMERSANT correspondent even suggested that the project was initiated by the Kazakhstan government, which allegedly told TWG that "we have had enough of shipping raw materials out of the republic, and now it is necessary to get down to business."

Meanwhile, in circles close to Trans-World, KOMMERSANT managed to ascertain that the previously described project has been undergone scrutiny by the experts in the leading European banks and was deemed to be "very, very interesting." The administration of the Yermak GRES, which is situated not far from Pavlodar, has been transferred to "companies that are close to Trans-World," so that the new production entity will receive the guaranteed delivery of electrical energy at fixed prices. English investors also like the business climate in Kazakhstan: "No one there is breathing hard about the fact that a foreign company owns the enterprise." As for Russia, according to David Ruben, the shipments of Pavlodar alumina to that country will remain at the previous level, and the needs of the new aluminum plant will be satisfied by increasing the PAZ production capacities. TWG analysts predict a considerable increase in the world consumption of aluminum in the next few years and assert, "There's room enough for everyone."

**Kazakhstan: Nurikbayev Named Supreme Court Chairman**

*964F2701A Almaty KAZAKHSTANSKAYA PRAVDA in Russian 29 Jun 96 p 1*

[Decree of the Senate of Parliament of the Republic of Kazakhstan: "On the Election of M.S. Nurikbayev as Chairman of the Supreme Court of the Republic of Kazakhstan"; Biographical sketch]

[FBIS Translated Text] In accordance with subparagraph 1) of Article 55 of the Constitution of the Republic of Kazakhstan, the Senate of the Parliament of the Republic of Kazakhstan decrees:

Maksut Sultanovich Nurikbayev is elected chairman of the Supreme Court of the Republic of Kazakhstan.

[Signed] O. Baygeldi, chairman of the Senate of the Parliament of the Republic of Kazakhstan

Armaty, House of Parliament

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28 June 1996

**Maksut Sultanovich Narikbayev**

Born in 1940, he is a Kazakh. He graduated from the Kazakhstan State University imeni S.M. Kirov, with a specialty in law.

He began his work activity in Taldy-Kurgan Oblast at cultural-educational institutions. From 1973 he worked in the agencies of the prosecutor-general's office: a trainee, senior investigator, he was a people's judge, and a member of the oblast collegium of lawyers. After that he performed managerial work in the Ministry of Justice and was a procurator for the republic. In 1992-1993 he worked on the staff of the President and Cabinet of Ministers of the republic. In December 1993 he was elected first deputy chairman of the Supreme Court. Since October 1995 he has been Procurator-General of Kazakhstan.

He has a class rank of state councillor of justice, 2d class, the highest qualification class of a judge, and is a candidate in Legal Sciences.

**Kazakhstan: Death Sentence Frequency Noted/ Cases Cited**

*964f2626A Moscow IZVESTIYA in Russian 5 Jun 96 p 4*

[Article by Vladimir Ardayev, IZVESTIYA staff: "Legalized Killing: Kazakhstan Holds One of the World's Top Places in Number of Death Sentences"]

[FBIS Translated Text] As previously reported in the press, based on the past year's results the human-rights organization Amnesty International, from its headquarters in London, has declared Kazakhstan to be the fourth country in the world in terms of the number of executed death sentences—after China, Saudi Arabia and Nigeria. One such sentence, which drew special attention from Kazakh-American Human Rights Bureau—a human-rights organization whose information was used by Amnesty International—was the sentence against Kazakhstan citizen Boris Timofeyev.

The former deputy general director of the Karaganda Metallurgical Combine was executed by firing squad in November 1995 on the basis of an oblast court sentence. He was accused of organizing a "contract" killing of his former boss, the combine's general director Aleksandr Svichinskiy.

The circumstances of the crime, which took place three and a half years ago, were recounted in fairly great detail in the press, including IZVESTIYA. Let me briefly recall them. In 1991 Aleksandr Svichinskiy replaced Oleg Soskovets as director of Kazakhstan's largest enterprise. The new general director got off to a stern start, conducting a massive "purge" of the firm's executives: in less than a year about 40 of the engineering and technical personnel at various levels were fired or demoted.

Early on the morning of 28 December 1992 Aleksandr Svichinskiy was killed with a shot to the head at the entrance to the plant administration building. A steel nut, fired from the barrel of a sawed-off shotgun, found its mark. Soon the investigation named the persons who were accused of organizing the crime: Boris Timofeyev, the former deputy general director for social questions; Silantiy Chopchits, the driver of the combine's ambulance, who had been drastically demoted not long before the incident; and Aleksandr Chernykh, the former head of the combine's department of foreign economic relations. The contract killers themselves were also found: Lithuanian citizens Maksimiavicius and Jurgelaitis.

On 29 April 1994 the Karaganda Oblast Court sentenced B. Timofeyev, S. Chopchits and A. Chernykh to various terms of incarceration. Timofeyev got the harshest sentence-15 years. In the meantime, Maksimiavicius and Jurgelaitis were convicted in Lithuania. Maksimiavicius, the direct killer of A. Svichinskiy, was sentenced to death.

A year later these court decisions changed places, as it were. The Supreme Court of Kazakhstan overturned the Karaganda Oblast Court's sentence "for leniency," and on 7 March 1995 that same oblast court handed down a new, "harsher" sentence whereby B. Timofeyev was sentenced to capital punishment. In the meantime, Lithuania's President A. Brazauskas granted clemency to Maksimiavicius, replacing his death sentence with incarceration.

The fate of Boris Timofeyev, who was condemned to die, drew the attention of Kazakh human-rights advocates. The Kazakh-American Human Rights Bureau tired to intervene, insisting on an additional study of the facts of the case, but it received refusals from all officials. The consideration of this matter was included on the agenda of an international human-rights conference held in November 1995 in Almaty. The Kazakh-American Human Rights Bureau sent a letter to all officials with the sole request: do not rush to execute the sentence; after all, it is no secret that many who have been condemned to die await their fate for years. But from the moment that Timofeyev was refused clemency, just two weeks passed, and literally a day before the conference opened, the whole point was lost: the death sentence was executed.

According to the bureau's executive director Yevgeniy Zhovtis, what bothered the human-rights advocates was

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by no means only the fact that the sentences handed down by the Kazakh and Lithuanian courts ultimately proved incommensurate with one another and with the deeds with which the different people had been charged: the killer received clemency, while the person who had ordered the crime was executed. Although that alone was of no small consequence. Bulgakov's Behemoth is implacable: "What does the boss have to do with this? After all, it wasn't he who suffocated the baby in the forest!" Even if the former deputy director had paid for the death of his former superior, it wasn't he who loaded the nut into the sawed-off shotgun, wasn't he who aimed at his head, and wasn't he who pulled the trigger! However, what bothered the members of the Kazakh-American Bureau even more was the fact that Boris Timofeyev had been convicted and executed on the basis of insufficient evidence—contradictory, debatable and by no means complete evidence.

The main thing was that the court never was able to establish motives for the crime that might have been deemed sufficient for it to be carried out. Timofeyev's actions were classified as the arrangement of a murder out of selfish motives on the basis of hostile relations. But it's the selfish motives that are not so easy to discern here—on the part of either the organizers or the executors, who committed a carefully planned and "expensive" killing for the "symbolic" fee of one Zhiguli automobile.

The two texts of the two court sentences—the first and the final, death sentence—hardly differ from one another at all; on 20 out of 24 pages, everything is repeated, word for word; it's just the conclusions that are different. The court ignored the defendants' statements to the effect that pressure was put on them during the preliminary investigation, that they were intimidated, beaten, subjected to torture, and forced to falsely incriminate one another, while it was the story offered by the hired killer that was insisted on. Because of all this, the 47-year-old Chopchits, the father of five children, tried to hang himself in his cell but was rescued by his cellmates. The fact that all of the defendants repudiated their previous testimony in court was regarded as merely an attempt to escape responsibility.

The court ignored a number of facts that have still never been explained—for example, the fact that long before the events described Svichinskiy had been attacked several times by unknown persons and beaten, as a result of which the Karaganda plant's general director had been provided with a bodyguard, who for some reason was not around on that tragic morning before New Year's. Or the fact that the law-enforcement agencies had received tips about the possibility that his killing was being plotted long before the materials in the case charge that Timofeyev, with the help of Chopchits, engaged in planning the crime. Or the fact that not long before Svichinskiy's killing, a large shipment of tin stolen from the Karaganda Metallurgical Combine had been seized in the Baltics, and a local unit of Kazakhstan's National Security Committee had uncovered contracts between the combine and foreign companies, signed by A. Svichinskiy, that were plainly of a criminal nature.

What's more, the Karaganda Oblast Court was virtually deprived of any opportunity to study the evidence from the Lithuanian trial. The only thing that figured in the case was a version of a translation of the Lithuanian Supreme Court's verdict, and a copy of the Lithuanian newspaper KRIMINALNYYE NOVOSTI [Crime News] with an interview given by Maksimiavicius. And during the trial a video recording of extremely poor quality was shown of his and Jurgelaitis' testimony. And that was all. Yet both contract killers declared that they had undertaken the killing in order to settle personal scores with Svichinskiy, who had allegedly defrauded them and taken their money.

Yevgeniy Zhovtis is convinced that Kazakhstan's law-enforcement and judicial bodies did everything possible to make the killing of the executive of Kazakhstan's largest industrial enterprise appear to be merely a local matter of a subordinate's settling scores with his boss. The version according to which Svichinskiy was killed on a contract issued by Timofeyev—the story that was put out for the press from practically the very beginning of the investigative process—remained unchanged throughout the entire investigation and trial. Although, for all intents and purposes, it still remains unknown whether this was really a contract killing, and if it was, who was actually behind the killers. There are too many unanswered questions, and since there are, it is entirely possible that an innocent person, or one who was insufficiently guilty for such an extreme measure of punishment, was deprived of his life.

It is hardly likely now that anyone will be able to answer these questions—those who might do so have no interest in doing so. And as paradoxical as it may seem, the executed Boris Timofeyev needs the answers least of all—he no longer needs anything.

It is too late. The most terrible thing about the death penalty is its irreversibility, the utter impossibility of changing anything, of restoring justice if it turns out that it was violated. A person sentenced to death gets a one-way ticket.

For Kazakhstan, this problem is more than urgent. Granted, officials reject the conclusion of Amnesty In-

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ternational to the effect that this state has become "Executioner No. 4" in the world. Thus, M. Baranov, head of the clemency department of the Kazakh president's administration, claims that of 101 persons sentenced to die last year, only 63 were executed. But even that, despite the authoritative source, cannot be considered absolutely reliable, given the confusion that exists in this matter and the total absence of open official information on this subject.

Nonetheless, this is the picture: a large number of death sentences handed down by Kazakh courts, and a few (fewer by severalfold than in Russia, say) cases in which persons sentenced to die receive commutations or pardons. And added to that is the real state of legal justice that exists in Kazakhstan today. The fact that corrupt courts, bribe-taking judges and judges' obedience to "telephone law" have become commonplace phenomena is by no means a secret, and not something that can only be whispered about. Just this year agencies of the Kazakh State Investigative Committee initiated several criminal cases having to do with bribe-taking by judges. At the same time, the National Security Committee is investigating cases of bribery in the highest judicial offices. Thus, recently Supreme Court Judge Kerimov was arrested by National Security Committee officers in his office, and just a little while later a special presidential edict removed Malakhov, the chairman himself of the supreme body of legal justice, who is also suspected of taking bribes. Investigators and heads of the State Investigative Committee's units constantly complain about judges' lack of objectivity.

Under these conditions, when the likelihood of a judicial error is extremely great, the death penalty continues to be cultivated in Kazakhstan as the most effective means of fighting crime, a kind of panacea. Suffice it to recall the series of scandals last year involving the television programs that included interviews with convicted capital criminals, a simulation of an execution by firing squad, and the display of the corpse of a criminal who had just been shot, lying in a pool of blood on the concrete floor. These broadcasts were created by employees of the Kazakh Ministry of Internal Affairs' press center for one purpose only—preventive.

Officials whose opinion have been heard on this matter generally speak of one thing: the supreme penalty is handed down only to those whose crimes leave no other choice by virtue of their gravity. Only one of the views heard, perhaps, offers some sort of hope. Igor Rogov, the president's assistant for legal affairs, said that a program for gradually abandoning the death penalty is being drawn up in the republic. Gradually, because simply to eliminate it all of a sudden would, in the first place, cause unavoidable cataclysms in society—up to and including the emergence of blood revenge. Second, the corrective labor system is not prepared to fully replace capital punishment with lifetime imprisonment. Today, when dystrophy, dysentery and tuberculosis reign in labor colonies, lifetime imprisonment would be tantamount to a death sentence dragged out over time.

Igor Rogov said that in the draft of the new Kazakh Criminal Code that is being prepared the number of articles for which the death penalty is specified is being considerably reduced; now, for example, it can be indicated not just for homicide and the rape of a minor, but for taking bribes under aggravating circumstances. And he said that there is a whole stratum of issues connected with the procedures for executing death penalties that can and must be resolved "right now." One of them is the participation of representatives of the clergy and the public—and not just the heads of the power-wielding structures—on the president's clemency commission. Another is the possibility of returning the body of an executed criminal to relatives, or indicating the place of his burial. To this day in the former USSR, since Stalinist times, persons who are executed by sentence of the court are kept secretly in secret places, as though the traces of a crime were being hidden.

And after all, in the situation recounted here, there is something else that cannot be ruled out: that Boris Timofeyev really was informed about plans to kill A. Svichinskiy, and to some extent was involved in them, and that he took the names of the true organizers of the crime away with him. And that is why he was executed so hastily. Killed under the law.

## Kyrgyzstan

### Kyrgyzstan: Court Rules Russian Second Official Language

*964F2746A Moscow NEZAVISIMAYA GAZETA in Russian 1 Jul 96 p 3*

[Article by Farid Sultanov: "Constitutional Court Guarantees: Russian Becomes Second Official Language"]

[FBIS Translated Text] The Kyrgyz Constitutional Court satisfied a representation of the majority of deputies of both houses of parliament—the Zhogorku Kenesh—regarding amendment of Article 5 of the Constitution, which foresees in particular the possibility for employing Russian as the official language in the Republic.

In its present form, this article confirms Kyrgyz as the country's state language and sets guarantees of preservation of equal and free development and employment of Russian and all other languages used by the republic's population. It also forbids infringement of the rights

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and freedoms of citizens who do not know the state language or are not fluent with it.

At the same time the debate regarding the suitability of awarding the status of an official language to Russian, which began before adoption of the Basic Law in May 1993, continued even after a number of amendments were made in it by the recent referendum. This issue was also raised once again by a faction of Kyrgyzstan's population during the last two republic-wide campaigns for election of a new bicameral parliament and election of the country's president. Members of parliament who subsequently prepared the corresponding representation to the Constitutional Court feel that use of Russian at the official level is necessary in order to hasten economic reform of the republic and to achieve rapprochement and deeper ties with countries of the CIS and other states, and that it will facilitate Kyrgyzia's admission to the community of world civilization. This would also have a positive influence on strengthening interethnic consensus and peace in the republic, and preclude migration of Russian-speaking people.

It is also noted that the draft of the new wording for Article 5 proposed by the deputies neither changes nor diminishes the constitutional status of the state language—Kyrgyz, the special position of which remains firm.

And so, the Constitutional Court has stated its position. In its proposed wording, the article also says that the Kyrgyz Republic guarantees representatives of all nationalities making up the people of Kyrgyzstan the right to perpetuate their native language and create conditions for its study and development, and that infringement of the rights and freedoms of citizens who do not know the state language or are not fluent with it is not permitted.

A copy of the decision of the Legislative Assembly and the Assembly of People's Representatives was sent to the president of Kyrgyzia, who supports the necessity of such a step.

## Uzbekistan

### Uzbekistan: Investors Sought To Develop Uranium Mines

*964F2629A Moscow KOMMERSANT-DAILY in Russian 5 Jun 96 p 4*

[Article by Andrey Slidov: "President Karimov's Mines"]

[FBIS Translated Text] The situation on the world uranium market may change significantly in the near future. An effort to become more actively involved in the competition is being made by Uzbekistan, which is trying to attract investors to develop its uranium mines. Today Uzbekistan's export potential is extremely limited—raw materials and agricultural products. Moreover, having gotten carried away with erecting customs barriers and other barriers to its merchants, a year ago Tashkent lost a huge market for the sale of fruits and vegetables in Russia. The reliance on cotton exports has not panned out either, for both objective reasons (an increase in worldwide cotton production and a simultaneous increase in the production of cheaper synthetic fibers) and subjective reasons (Russia's unwillingness to acquire Uzbek cotton on terms that were unfavorable for it). Amid a rising shortage of foreign-exchange resources, the government has gotten actively involved in seeking investors and developing its "emergency fund"—the country's gold and uranium deposits. Of course, gold and uranium had been exported before. But it was not usually announced. Now, however, Tashkent has decided to drastically widen the range of investors. Evidence of this was provided, for example, by the international Uranium Geology and the Republic of Uzbekistan's Uranium Ore Resources conference that was held in May in Tashkent.

KOMMERSANT-DAILY: Uzbekistan's largest uranium ore deposits are located in the Kyzyl-Kum Desert. Prospecting there began 45 years ago. Today exploitable reserves there exceed 230,000 tonnes. Of 40 deposits, about 20 are being worked today. In the 1970s the technology of underground leaching was used for the first time in mining uranium in Uzbekistan, long before its use in the United States. Today the unit-cost of Uzbek uranium is among the lowest in the world. According to the figures of the IAEA [International Atomic Energy Agency], as of 1 January 1996 Uzbekistan occupied third place in the world (after Namibia and Canada) in uranium sales and fifth place in uranium production. Uranium is not processed in the country, except for the production of uranium concentrate, which is done by the Navoi Mining and Metallurgical Combine. According to IAEA data, the Navoi Combine produced about 3,000 tonnes of concentrate in 1994. It is thought that the combine will produce 3,050 tonnes of uranium concentrate annually by 2000. At that rate of extraction, the republic's raw-material reserves will last 50 years.

A program for technical reequipment up until 2030 has been developed at the Navoi Mining and Metallurgical Combine. It will make it possible to increase production of uranium and gold by an average of 1.5-fold and will cost $1 billion. And only $100 million of that amount is planned to be allocated specifically for uranium. With that money, the enterprise intends to modernize its drilling equipment. First and foremost, this involves building a plant in Nurabad to manufacture special

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drilling pipe. Previously that pipe was purchased in Russia. The republic's having its own production facility will lower the unit-cost of uranium production by another 20-30 percent. The cost of the plant, whose construction is supposed to be completed this summer, is estimated at $3.2 million. Equipment for it has been supplied by the German companies Mannesmann Demag AG and Klaus Massai. In June competitive bidding was opened to several foreign companies for replacing the entire drilling technology (the Swiss company Atlas Copco and the German Virte company may take part in the bidding). The winner will get an order worth an estimated $30 million for several dozen drilling units.

At present the Navoi Mining and Metallurgical Combine is conducting active negotiations on establishing a joint venture with the American Nokim company. Back in 1992 it signed a contract with the Uzbek side for the exclusive right to sell all Uzbek-produced uranium on the world market. It is believed that a joint venture capable of producing 500,000 tonnes of uranium ore a year may be established by the end of this summer. The Americans' share would be 45 percent. As for marketing, despite the low price and relatively high quality of Uzbek uranium, its entry onto the world market is fraught with considerable difficulties—the positions of other uranium producers remain very strong. So far the only thing that can be called a success is the signing this year of a long-term contract with South Korea for the delivery of 500 tonnes of uranium.

**Uzbekistan: Ethnic German Mafia Boss Dupes Saar Police**

*964F2592A Moscow IZVESTIYA in Russian 4 Jun 96 p 3*

[Article by Yevgeniy Bovkun, IZVESTIYA, Bonn: "Not 'Uzbek' and Not Ericson, but a Mafioso"]

[FBIS Translated Text] **Of course, vigilant order guards in Germany did not think that the representative of the Uzbek mafia personally would visit the Saar State Criminal Police Department and, moreover, as part of an official delegation, accompanying Uzbekistan's minister of internal affairs himself! Perhaps the Germans were captivated by the guest's quite "respectable" Swedish last name—Ericson? In any event, the Saarlanders proudly demonstrated to him and to other delegation members technical innovations in the fight against organized crime.**

And so, there is as little "Uzbek" in Ericson as there is "Swede." His name is Valeriy. He comes from Russian Germans and has registered as Ericson, having taken his Swedish wife's last name.

In Saar, which borders on France, people like good wine, grow grapes, and maintain friendly relations with some wine-producing "sunny republics" of the former Soviet Union, including Uzbekistan.

Recently, Saarlanders and Uzbeks have tried to actively cooperate in the fight against international crime. In 1994 high-ranking officials headed by Uzbekistan's minister of internal affairs twice visited Saarbrucken. They inspected modern equipment and even familiarized themselves with new methods of the Saar "special squad." Each time Ericson was the official translator on the Uzbek side.

Saar Minister of Internal Affairs Lepple, with whom Ericson soon was on familiar terms, and Lenert, head of the State Criminal Police Department, were filled with respect for the "Uzbek," who spoke German well. True, Lepple was somewhat surprised when in April 1994 he met Ericson at the lobby of the hotel where a meeting of Interpol was held, but he did not attach significance to this at that time. He was also surprised during an official flight to Tashkent in July of the same year, when he saw Ericson in the airplane as a first-class passenger. The minister was content with the tourist class.

The trip of ministers and representatives of the Saar police to Uzbekistan at that time was paid for by a special fund formed by Swish and Saar firms. The latter closely cooperated with the Uzbek partner company Daimler Benz, which traded in Mercedes cars. Ericson was also involved in this business—as the manager of the car firm. He willingly played the role of a generous "sponsor" and even placed a color advertisement in the Saar police newspaper POLIZEI ZEITUNG.

Who, in fact, Ericson was became clear entirely by accident. During a search at the place of one of the local drug mafia bigwigs Spanish policemen found an electronic telephone book, in which Ericson's telephone number in Saar was programmed. The Spaniards immediately shared this information with their German colleagues. Moreover, during a search in a pizzeria in Duisburg an Interpol certificate was found on its owner, who was connected with the Italian mafia. According to this document, it turned out that at the end of April 1994 the pizzeria owner took part in an Interpol meeting in Rome... as a member of Uzbekistan's delegation.

Soon Ericson gave himself away through Interpol documents. Once, during an ordinary check of car documents at one of the city squares, the Saarbrucken road police detained Ericson. He presented Interpol documents and was released, but [the police] no longer let him out of their sight.

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Last April, when Ericson again appeared in the building of the State Criminal Department as part of the Uzbek delegation, on a plausible excuse he was not admitted to the negotiations. And although Saar authorities were convinced that Ericson did not manage to worm out special secrets ("basically, the fight against drug addiction," not against the mafia, was discussed during the negotiations), it was decided to keep up the vigilance.

A search was organized on Ericson's domestic and official premises in the Saar town of Schwalbach (he bought a house for several million marks in cash from a Frenchman). True, drugs were not found there, but, on the other, there was an abundance of gold worth several hundreds of thousands of marks and nine of the latest extra-class Mercedes cars.

Uzbek colleagues shocked by this discovery confessed to representatives of the Federal Criminal Department of the Federal Republic of Germany that Uzbekistan suffered great losses from the mafia business. Illegal trade in cotton alone caused the country a loss of 45 million marks. Mafia tentacles, the Uzbek minister of internal affairs reported to his German partners confidentially, extended to the highest-ranking state officials.

In Saar the guests' revelations were believed and cooperation with Uzbekistan in the fight against organized crime was slowed down until all the circumstances of the enterprising Ericson's activity were clarified.

For some time he still appeared in Saar. Once he even surfaced at the very top—he translated during negotiations with the Georgian delegation in the Ministry of Ecology. This happened in March 1996. Later, however, his nerves broke down and he fled to Monaco.

By the irony of fate he was arrested there... for drugs. Forty grams of cocaine were found on him.

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